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HR in Innovative Organisations

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HR in Innovative Organisations

Volume 8 Issue 4 October 2015

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Dear Readers,

This time I am writing this editorial with a heavy heart. The man who has made journal to what it is today is no more. Yes. I am talking about Dr PVR Murthy from whom I took over the mantle this year. In this issue the section on "Readers Corner" is wholly dedicated to him. We have collated tributes for Dr. Murthy from many senior HR professionals across the country who had professional association with him for a long time. This is our humble tribute recalling his great services to NHRDN for many years.

This issue is dedicated to 'HR in Innovative Organisations'. Despite great recognition for innovative organisations at today's market place, HR as a source of value addition within these organisations, remains poorly understood. Innovation has been recognised as a source of competitive advantage beyond doubt. In the same breath though human resource function is considered as one of the most important functions across organisations, how innovative HR practices enables an organisation to deliver superior performance at market place remains an area of interest for both academics and practitioners. Interestingly though, many believe that a sustainable competitive advantage can only be built through an innovative organisation culture that is capable of harnessing individual creativity. And who can in today's context can deny the role of HR practices in building a culture of innovation? In order to sustain their competitive edge, organisations across the world are transforming their people processes and systems at a much faster pace than what they use to be. Needless to say that these organisations are trying to build a more open culture to enable and empower individuals to harness their creativity on the job. Let us talk about the famous Google example. Google allowed their software engineers to work on their own favourite projects for twenty per cent out of their regular working hours. This is a good example for an innovative HR practices that added value to its already high employer branding by attracting new talents, especially those who value a culture of autonomy and continuous learning.

John Cleese, the renowned creativity expert summarised this when he wrote "**We all operate in two contrasting modes, which might be called open and closed. The open mode is more relaxed, more receptive, more exploratory, more democratic, more playful and more humorous. The closed mode is the tighter, more rigid, more hierarchical, more tunnel-versioned. Most people unfortunately spend most of their time in the closed mode. Not that the closed mode cannot be helpful. If you are leaping a ravine, the moment of take-off is a bad time for considering alternative strategies. When you charge the enemy machine-gun post, don't waste energy trying to see the funny side of it. Do it in the "closed" mode. But the moment the action is over, try to return to the "open" mode—to open your mind again to all the feedback from our action that enables us to tell whether the action has been successful, or whether further action is need to improve on what we have done. In other words, we must return to the open mode, because in that mode we are the most aware, most receptive, most creative, and therefore at our most intelligent.**"

Our endeavour in this issue is to find out how innovative organisations build this open mode of operating and make the work experience for their employees truly innovative, engaging and enriching.

Practicing HR professionals and academics who want to pursue innovative HR interventions must try to acquire new knowledge from all quarters. It could be competitors, industry networks, customers, and previous organisations where they had worked earlier. We thought this issue would be useful for all our readers in this context where they can learn from our contributors who have shared their best HR practices, concepts related to them along with their own reflective observations about outcome of these HR interventions.

Last but not the least managing a creative person in not an easy task. Carl Joseph Ally the late founder of American advertising firm Ally & Gargano once said **"The creative person wants to be a know-it-all. He wants to know about all kinds of things: ancient history, nineteenth-century mathematics, current manufacturing techniques, flower arranging, and hog futures. Because he never knows when these ideas might come together to form a new idea. It may happen six minutes later or six months, or six years down the road. But he has faith that it will happen."**

If you closely read these descriptions, I am sure you will recognise some of the new age (Gen Z !!!!!) creative young people with whom you have worked with. So as HR professionals if you need to lead HR innovations in your organisation you need to take people out of their boredom, routine and monotony. Make work more like a play. Read these lines from James Ogilvy, and it will be amply clear to you.

"Too much of our work amounts to the drudgery of arranging means toward ends, mechanically placing the right foot in front of the left and the left in front of the right, moving down narrow corridors toward narrow goals. Play widens the halls. Work will always be with us, and many works are worthy. But the worthiest works of all often reflect an artful creativity that looks more like play than work."

Before I end, I would like to thank, Professor Rishikesha Krishnan, current director IIM Indore and a known expert/author on strategy and innovation to become our guest editor in spite of his stretching schedule. I would like to congratulate him on his excellent work to bring this issue. He has been successful to get excellent contributions both from corporate as well as academic world to make sure the readers enjoy reading the issue and learn about newer practices and theories behind these HR practices.

As I mentioned earlier, be prepared to learn and contribute for the next two exciting issues in the year 2016. There is a small change in what we communicated earlier. Pankaj Bansal will now guest editi the January, 2016 issue on the theme **"Lean & Smart HR – Transforming Work "**. *As communicated earlier Sonali Roychowdhury will now guest edit the April, 2016 issue on the theme* **"Building Diversity in Leadership"**.

I am sure you will enjoy reading this issue. Don't forget to send your feedback to me at **bandyopadhyaypallab@yahoo.co.in** *after reading this issue.*

Enjoy reading this issue !!!!!

Dr. Pallab Bandyopadhyay
Managing Editor
(on behalf of the Editorial Team)

Readers Corner

Our Tributes to Dr PVR Murthy

We are really at a loss to deal with sudden loss of our dearest Dr. PVR Murthy. He was instrumental in conceiving this journal and it was at his invite I joined the editorial team when we decided to start the journal. Since inception I have seen him working tirelessly, many a times when everybody else gave up. I will remember him for his self-less dedication, clear focus and humility while leading many of us in running this journal. It is very difficult to capture his personality, especially for us who have seen him closely for many years. But when I was struggling to put into words my emotions in this tribute, I suddenly remembered the following lines from the book *Confess* written by Colleen Hoover, a New York times bestselling author. Perhaps it captures one facet of his personality very aptly................

"Selflessness. It should be the basis of every relationship. If a person truly cares about you, they'll get more pleasure from the way they make you feel, rather than the way you make them feel."

The only way we can pay tribute to him is by following his footsteps,working together to make this journal reach more and more readers with innovative themes and pragmatic content. In this issue the section on Readers Corner is completely dedicated to Dr. PVR Murthy. We have collated tributes from a lot of senior HR professionals across the country who have closely interacted with him for many years. I am sure this will help our readers to get a glimpse of Dr. PVR Murthy and his work.

— Dr. Pallab Bandyopadhyay
Leadership Architect & Career Coach
Managing Editor, NHRDN Journal

PVR was perhaps one of the most genuine, authentic and simple intellectual crusader I have ever met. His mental sharpness was heightened by the power of his humility and sense of humour. A warm smile always played on his lips making him the most endearing and charming personality that he was. He connected with each one that he interacted with in a unique way and made everyone feel special. The NHRDN journal is a monument of his ability to connect people, get everyone to contribute and perfectly execute it issue after issue. Each issue was an epitome of his selfless work and his professional commitment. He sought neither glory nor any form of significance for himself. He always wanted NHRDN to flourish. He remained a strong pillar of the Chennai Chapter and I closely interacted with him on many Projects when I was the President of the Network. I will always remember him fondly and with a profound sense of respect that he deserves for his work and more importantly, for who he was as a friend, a persona and a professional.

— Dr. Santrupt B Misra
CEO, Carbon Black Business & Director,
Group H.R.
Aditya Birla Management
Corporation Pvt. Ltd.

As we age, we tend to hold on to our old friends and I have been singularly blessed in knowing and enjoying the friendship of Doc Garu [as I called him] over the last 20 odd years.

A very simple man with a great mind, no malice and selflessness in his approach, his characteristic chuckle made many of our work-related sessions great fun. We had a grand association not just through the NHRD Network but amongst our friends circle too. Doc Garu along with Doc Chandra and Nina Woodard (ex SHRM) worked over several months in putting together the NHRD Network Code of Ethics. It was a tough job because we challenged one another and kept playing Devil's Advocate on how to make this a live document. It is a fitting tribute to Doc Garu that the COE remains because at times it was frustrating that we were not making progress fast enough yet Doc Garu always came up with witty one-liners to bring us back to reality.

Doc Garu took on the task of National General Secretary, a difficult role, operating from Chennai and dealing with the Board and Presidents in Delhi and Mumbai-again a task he did admirably and raised standards for our institution. He very often used me as a sounding board (as I was serving on the Board at that time) and with his humility and good cheer steered the course back. If there is one outstanding contribution for building an institution was his single-minded devotion in nurturing the Journal, a magazine I am so professionally proud about. Anyone who has done this kind of work knows the challenges and frustrations of doing so. Yet he did it so cheerfully and willingly that it really touched my heart.

RIP my friend – the NHRD Network owes you a debt of gratitude.

— Marcel R Parker
Director & Chief Mentor
Quess Corp Limited
(formerly IKYA Human Capital Solutions Ltd)
and Former Regional President [West] NHRD
Network and Member of the National Board

I cannot believe that Dr. PVR Murthy is no more. A great human being and a committed HR professional, he inducted me to contribute for the NHRD Journal almost 10 years back – for an issue on *Change Management* – in the year 2007 – edited by Dr. Arvind Agrawal. The way in which he showed genuine interest in NHRD Journal and building it up, inspired me as an HR professional to get associated with it for the past 10 years and finally editing an issue on *HR in Indian Organisations* this year. The professional relationship grew in a very warm friendship and every time I call him, he would never miss asking about my family. The last mail that I got him was also on behalf of a HR colleague and friend who could not attend a session I had invited. A few lines he wrote *"He has genuine problem in getting approval and hence regretted. He was hesitating to share with you. Cheers PVR"*.

I hope that HR in India will have more leaders like him who work for the interest of the profession and treat junior HR professionals with genuine care! **Miss you sir!**

— Dr. Sandeep K. Krishnan
Associate Director, People Business
Adjunct Faculty, Indian Institute of
Management, Indore

PVR was a dear friend. I feel deeply for his loss.

I remember PVR in fondness for his tremendous focus on commitment to anything that he took up. Sometimes struggling through conflicting challenges on his time. His mother was unwell and there was a national conference in which he had a role. He stood by his mother and was on endless conference calls, sometimes from the hospital, and would not hesitate to let us know that he was 'fine' with doing the best he could from there. He taught me the value of commitment.

He also taught me the value of grace in the face of difficult choices. Once, as the person responsible for the NHRDN journal there was a rather difficult timeline to meet. And the persons who he had reached out to were giving him a tough time with meeting the deadlines that would help make the journal to be published on time. I was a contributing author and in a rare moment of vulnerability, he told me the various steps that one had to go through before the journal was published, and how he was expecting someone to write in and despite reminders the person was not responding. Not that he did not want to, but he was rather tied up. As part of that dialogue, he told me that he was going to 'drop' someone, for reasons of deadlines. He did not share the name, but commiserated with the person inability to make 'many things work'. He was not angry, but just sad that the readers could not avail of his wisdom. Such grace, when any lessor mortal would have called the person irresponsible and haughty.

— SV Nathan

Senior Director & Chief Talent Officer,
Deloitte

PVR was a dear friend and professional colleague for decades. His counsel was wise and his inputs knowledgeable and thoughtful.

His yeoman contribution was reflected in the decades of service to the function and to management. The capstone of his great and memorable work was his inimitable and amazing work in lifting the Journal from where it was when he volunteered to take charge of it and the level of excellence and impact he took it to! The HR professional, fraternity and I personally am poorer with the loss of this wonderful human being and stellar thought leaders. God bless his soul, peace and forbearance to his family!

Let us symbolise his memory is way that it become a beacon for us and future HR generations.

— Satish Pradhan

Independent consultant and advisor

His most recent contribution to NHRD is the Journal. What both Udai Pareek and I have not succeeded in starting a journal for the NHRDN, Murthy has succeeded. Academics have their own views of a professional Journal and we gave up the idea of the Journal for want of quality articles. However PVR pursued it about ten years ago and restarted the idea under the NHRDN Presidentship of Dwarakanath and conceptualised a different type of a journal. There were differences of opinion but PVR went ahead and made a user friendly journal with international contributions.

I must confess that I was not very positive about the idea after the failure of the initiative by Dr. Pareek.The journal has already brought in about 30 issues and each issue is a book and can form an independent course material in a PG program. I have used some of them in classes taught at IIM Ranchi etc.

— Prof TV Rao
Tribute by TV Rao published in
Business Manager HR magazine Oct. 2015 issue

One of the unique value propositions which differentiated NHRD from other professional bodies is NHRD Journal. Significant credit for creating, nurturing and sustaining this value proposition undoubtedly goes to Dr. PVR Murthy, who incidentally was my first boss when I started my career in 1988. I was fortunate to watch him undertake this responsibility with utmost commitment and passion. It was like his child, demonstrating all that a proud parent would do. It was not as if it was a smooth journey. There were moments of self-doubt, struggle to get articles / resources, personal challenges, but yet he gave his unflinching support for the Journal.

Successive leadership teams gave him the autonomy and space to focus on the Journal, and this happened only because of Dr.'s unassuming character and humility, which always put the Journal and NHRD before anything else, even before his own professional commitments. His one unfulfilled wish related to the Journal was publishing of the same like a Book so that it becomes an easy reference document. His dream was that every HR student should have access to the NHRD Journal helping them learn from the experiences of leaders in India and the Indian context. I have had the opportunity to collaborate with Dr. Murthy in different ways in the last 8 years on matters related to the Journal, and each was a learning experience. I still remember, when I was the Treasurer, the one suggestion he made was not to look at NHRD Journal as a business vertical lest it runs the risk of losing its salience and distinctiveness. Today when I reflect back, I feel happy that I agreed to be the Guest Editor for one of the issues of 2015, because that was something Dr. Murthy was always pushing me for. His message after he saw the final print of this edition - "Dear Prabha Garu Hearty Congrats. Your issue of the Journal has come out very well. I am so proud of you. Am carrying two copies for you. Reaching Hyderabad by Indigo 6E315 at 1355. Is it possible to arrange to pick up the journal copies?" That copy of the Journal now is a prized possession for me.

Like a true leader, in retrospect, Dr. Murthy ensured a smooth transition for the Journal. There was tremendous pressure on him to continue, but about 18 months back, he was very particular that there be a transition. Dr. Murthy has left behind a rich legacy, a legacy that all of us should be proud of and build upon. Bill Graham said "The greatest legacy one can pass on to one's children and grandchildren are not money or other material things accumulated in one's life, but rather a legacy of character and faith". Dr. PVR Murthy through NHRD Journal and the way he built it has indeed passed on a legacy of character and faith. I as an individual will strive to uphold all that I have learnt from Dr. P.V.R. Murthy.

— Prabhakar Lingareddy
VP (HR), ITC Limited

PVR always portrayed a serious countenance, and rightly so; because behind that face was a seriously committed HR professional. He was modest though, about his own strength and value of his contribution. When I invited him to be the National Secretary after I took office of the National President, his first reaction was a few moment of silence. Then he asked a few questions almost to himself, whether he would be able to discharge the responsibilities. This in essence was PVR's persona. His concern for delivering the promised superseded everything else. When the concept of Guest Editor for the Journal was first introduced, we both debated the merit of the idea. His only focus was whether the Journal would benefit and not whether any idea was novel. Later he single handedly raised the NHRDN Journal to a new professional level.

PVR's intensity was all-prevalent during the Annual Conference in Chennai. Day before the Conference the unfortunate and sad terrorist attack in Mumbai and floods in Chennai had put a damper on the Conference but PVR had faith. He relentlessly held that the Conference would be successful. And despite the odds and sadness, Chennai Conference was indeed a success – thanks to single-minded focus and belief of stalwarts like PVR.

I fondly recollect quiet conversations with PVR over how HR profession is evolving and it was refreshing to see how he had kept abreast with the times. His love for the HR profession and particularly for NHRDN was unquestionably paramount.

It was a privilege to have worked closely with PVR – a good human, a fine gentlemen and a trusted colleague. Will miss his warm smile and ever-enthusiastic outlook.

Miss you, my friend.

— Dr Aquil Busrai
Chief Executive Officer,
Aquil Busrai Consulting

PVR was a great friend, well -wisher and admirable colleague of mine for several years. I had inducted him into corporate world more than 35 years ago and he had inducted me into NHRDN. PVR was a great team player, very knowledgeable, humble and a great human being. He had made seminal contribution to NHRDN and to HR fraternity without aspiring to take up formal positions. Apart from being the founder member of NHRDN, he was a guide, mentor and friend to various chapters of NHRDN including Chennai chapter. He has made several sterling contributions in the area of NHRD Brand Building, Code of Conduct, streamline the governance processes etc... In 2006, when I had made a request to him to take up the responsibility to launch the NHRD Journal, he had taken the responsibility without any hesitation and was instrumental in successful launch of the Journal in November 2006. PVR under his leadership with his personal resilience coupled with great networking skills lifted the Journal to new heights. May his soul rest in peace and I pray to God to provide forbearance to his wife Shubha and children".

Regards,

— P Dwarakanath
Advisor - Group Human Capital,
Max India.

I first met Dr. Murthy in 2006 and was immediately struck by his beatific smile, his humility and authenticity. It was totally clear to me that here was a rare person who was not only wise and mature, but was also a giver – something so difficult to find in today's world.

These impressions grew only stronger with the passage of time. Whether it is NHRDN Board meetings, interactions connected with the NHRDN Journal or working together for a National Conference, I never ceased to be amazed by how much time PVR would selflessly give to NHRDN, especially for the NHRDN Journal. He never once complained about anything or anyone, and always had this wonderful smile on his face, no matter how pressured he was. NHRDN was truly fortunate to have someone like PVR as one of its Pillars of Iron.

The best tribute we can pay to PVR is to ensure that we keep up the high standards that he set for everything he did, most particularly for knowledge management and the NHRDN Journal

— Rajeev Dubey
Group President (HR & Corporate Services) &
CEO (After-Market Sector)
Member of the Group Executive Board
Mahindra & Mahindra Ltd.

Ideas are a dime a dozen, those who implement it are priceless... Dr. PVR Murthy was one of those who believed in impossible dreams and its laser sharp execution. Many know about importance of collating and disseminating knowledge specific to Indian HR practices but one person who made it possible was Dr. Murthy. A humble person, Dr. Murthy was always ready to help the cause of Human Resources Development. In my association with him for over a decade and particularly for over last 4 years at NHRDN will remain priceless for my life. I will miss his wise counsel and penchant for excellence. Dr. Murthy lived the spirit of volunteerism.

— Dhananjay Singh
Executive Director
National HRD Network

A warm and unassuming person who always exuded warmth is how I shall always remember Dr. PVR Murthy. When I was rather new to National HRD Network, he was one of the senior mentors who was so easy to get along with, thanks to a very unpretentious air about him. A great problem-solver, he was our go-to-person whenever we needed advise and he never gave us a chance to go back disappointed. I cherish my interaction with him as part of the dinner he had hosted further to our Board Meeting in Chennai a couple of years ago.

The fact that he was one of the founders of National HRD Network only goes to prove that he was a true visionary who was entirely committed to the cause of ensuring top-of-the-line Human Resources in our country. His contribution to NHRDN is truly priceless considering that he was the founder editor of the NHRDN Journal and played an instrumental role in laying the strong foundation on which the NHRDN Chennai Chapter stands today.

While our keep-sakes from Dr. Murthy is for us to treasure, only steadfast efforts will ensure that we succeed in living up to his dream.

— Kamal Singh
Director General
National HRD Network

PVR was a great friend and wonderful Human being. I had known him from his TVS Days. We became closer when I became the President of NHRD Bangalore Chapter. Since then we have been meeting at regular intervals either when I go to Chennai or at different NHRD Meetings or conferences. He had a large heart and a sense of great commitment. His work to begin and ensure qualitative and timely delivery of NHRD Journal was indeed phenomenal. The themes he chose for the different issues and also the choice of Special Editors for each issue was a very creative thought. His mind in inclusiveness needs to be appreciated. He consulted me when he was planning an Issue on IR and did implement most of my suggestions. He was less egoistic and wanted always a good job to be done whatever is the job. His favourite venue for dinner was the Madras Cricket Club, Chennai.

We have a lost a great champion of NHRD and more so a great friend and human being who believed in simple living but with noble heart. We also miss his ever smiling face. His dignity and respect for any one whom he meets is a big lesson for the youngsters of today.

May His Soul Rest in Peace.

— D.R. Nagaraj

CEO, Nagaraj Management Services

As guest editor of NHRD journal of leadership, I had the opportunity of working closely with PVR Garu and was then deeply inspired by his academic acumen, rigor of intellect and outstanding execution abilities. A humble, selfless, service oriented individual fueled with nobility of purpose, his contribution to the HR community and NHRD has been significant. In addition to him being an outstanding HR professional and a wonderful human being, the language of Telugu forged a strong bond between us that went beyond the sphere of work. I have had the privilege of visiting his home and meeting his family and I offer my deepest condolences to them in their moment of grief. While PVR Garu is not here with us in person, his spirit will always stay alive in our hearts and our minds. It is indeed, hard not to miss someone who left us with so many fond memories.

May His Soul Rest in Peace.

— Dr. N S Rajan

Member - Group Executive Council &
Group Chief Human Resources Officer

Dr. PVR Murthy (fondly remembered as PVR) was synonymous with HRD Journal of NHRDN. Despite earlier setbacks and failures to sustain a Journal, NHRDN Leadership took a challenging decision to relaunch the NHRDN Journal with PVR as the Editor.

Once PVR took the mantle, things moved ahead. Contributors were identified & pursued, Editorial Team set up, Printing agency lined and the publication formalities were sorted out. As the then National Secretary, I saw the challenge being met without any hue and cry.

To give a thrust and add value, PVR went for the concept of dedicating each issue for a theme and having Guest Editors who excelled in Academics or Corporate world. Besides the quality of the content, PVR always took care to see the printing accuracy & quality and the timelines. At a later stage, PVR took pains to release soft versions of the publication for ease of access and preservation.

At an informal level, I gathered that PVR used to spend a lot of his personal finance besides giving his time and effort, to make the mission possible. His selflessness, focus, dedication and above all his humility are unique.

Like a true professional, he ensured a smooth transition of the responsibility and passed on the baton to another passionate professional Pallab.

PVR will be ever remembered whenever we see an issue of NHRD Journal, old or new; whenever we come cross a good article on HR and whenever we come across a value based human being. Hats off to the great Man !

— G P Rao,
Management Advisor & Founder,
GPR HR Consulting LLP

I have known Dr. PVR. Murthy for over a decade. He encouraged me when I started my own blog. He joined in and contributed to the blog with his thoughts. I can never forget his support, when I had grieved for 2 of my friends Awanish and Charu. On both occasions he told me that he was with me for the issues that I was drawing the profession's attention to. The NHRDN Journal, probably our only proprietary knowledge asset, would not have taken roots without PVR's leadership. He was dignity and grace personified. RIP my dear friend. We will take forward your dreams and work as your representative.

— K. Ramkumar
President ICICI Foundation &Executive
Director Board ICICI Bank
National President, NHRD Network

I have known PVR right from the start of my association with NHRDN since mid-eighties. He always came across as a genuine person, quite selfless, affable and understated who had keen interest to help develop human resource profession in the country. I have been fortunate to work very closely with him in the Editorial Board of National HRD Network Journal. He had clear vision, high standard of professional excellence and passion to bring out world class Journal. I saw him tirelessly work toward making it a resounding success that it has now become. Through this he has created an institution which has brought an invaluable source of knowledge for the development of the profession giving the stature to NHRDN that we can all be proud of. All of us in the Human Resources profession will remain indebted to him. I personally miss a friend, a fellow professional who I respected and enjoyed working with.

May His Soul Rest in Peace.

— Dr. Arvind N Agarwal
Executive Coach & Consultant
Member of the editorial board
NHRDN Journal

PVR Murthy was a great man but remained a simpleton. An outstanding human being, he was the one who inducted me into NHRDN in 1987 and a person who was always there by your side when you needed advice. I had the fortune of running many training programs with him at Sundaram Clayton just after he returned from NTL and saw the humility with which he interacted with people across levels. He singlehandedly took up the challenge of making the NHRDN Journal one of its kind amongst the various HR publications. He worked tirelessly to ensure that the Journal was of the highest of quality and got many HR stalwarts to participate in the making of the Journal and thus created a niche product for NHRDN. That every edition that he co-created is seen as a collector's edition today is a fitting tribute to PVR and his contribution. A thorough professional with razor sharp focus on achieving the best for NHRDN. An irreplaceable loss to the profession and NHRDN.

PVR, you will always live in my mind and the minds of all those who came in touch with you forever. RIP.

— Varadarajan Srinivasan
CHRO & Head of Corporate Affairs at
TATA SIA Airlines Limited

I have known PVR (Murthy garu, this is how I used to call him) for over 25 years. What began as a professional acquaintance grew over time as deep personal and family level bonding. During these years, I have often reached to him for help, advice and counsel. And I got all of them, in abundant measure. There is a lot that can be written about PVR – especially about his extraordinary contributions to the HRD Network and the HRD Journal. We all know he carried on the responsibility of bringing out the Journal with remarkable commitment. But let me allude to the person and friend that he was. For that is how I want to remember him and ideally be remembered.

The first quality that stands out when you think of PVR is an ever-enthusiastic self that responded to every call with a whole lot of positive energy. I do not recall, in the last 25+ years, an instant when PVR was dull or disengaged. Whenever I met him I had found him full of life and energy and he infected me with his positivity. He always had creative ideas and was keen on executing them with great resolve. He was curious and a great learner. He evolved from topic to topic and built a point of view on most important matters. He did not have the pretensions of an intellectual but had the insights of an original mind. He took up new projects with great rigour and enthusiasm. In fact he often had a spring in his step and would reach out to you with open arms and open mind. Those who know him closely will vouch for these qualities.

Second, PVR was an ace networker. I was always amazed by the large number of people he know across the world. Much before LinkedIn and Facebook taught us networking, he had built a vast range of relationships across professions and cities. You name a topic or an issue and he would know some one who knows about it. He won't stop there. He would in fact point you to that resource and help you tap into it. By bringing people together PVR weaved magic and proved the power of networks time and again. He has made enormous contributions to events and people by leveraging his genuine network with a diverse range of people. His networking was not random socialising. It was purposive. He had an eye for people's strengths and talents. He would use those insights in quietly orchestrating events and occasions that will connect best people with others and thus spread and multiply the good in every one. Those who worked closely with him – especially in Chennai – will relate to what I am saying here.

Above all, my family and I will always remember him for his warmth and humour. We always looked for his visits to our home. And I was lucky, he always made it a point to stay over at my home whenever he visited the city I lived in:Mumbai, Delhi or Bangalore. My children called him "laughing uncle". He had a fantastic sense of humor. He would laugh at life and its trivia heartily and make others laugh and forget their worries for the time he was with you. We loved him for this. He always remembered what we spoke last even if he met us months after. This showed his empathy and genuine interest in others. He was concerned with what bothered us and tried to do something about it.We will always remember him as wonderful human being with an extraordinarily helpful mindset.

Let me end my brief note on PVR with a small anecdote of profound significance to me. Once, in one of those many evenings, when we had a drink together and talked about kings and cabbages. I shared my anxiety over not being able to build adequate name, fame and reputation in the field of HR. He heard me patiently and asked me an innocent sounding question: Tell me Chandru. Who were the most of well-known HR leaders in India 20 years ago? I struggled, muttered a few names but both of us knew I was filling a checklist. He smiled and said: "Chandru, all craving to be a well-known professional is ephemeral. No one will remember you for what you speeches you made, what positions you held or what best practices you built. If you have been a good human being just a few people will remember you for how you have touched them, rest of your achievements will be temporal." At that time I thought he was philosophising. Now I realise as I write his epitaph, PVR is worth remembering just as an ordinary (like most of us) human being with all the strengths and weaknesses we all have. But in that ordinariness he held deep human warmth and positivism that we will always need to stay our course. And therefore Murthy garu, I will remember you as a great friend who taught me humility and human values.

— Dr. S Chandrasekhar
President & Global Head of HR
Dr. Reddy's Laboratories Ltd.

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EDITORIAL REFLECTIONS

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Director & Professor of Strategic Management IIM Indore
(Guest Editor for this issue)

The Core Question

In the contemporary competitive environment, companies recognise the importance of innovation to create new products and business models, improve on existing processes and renew organisational vitality. Yet, many organisations fail to innovate on a regular basis.

When you ask managers the reason for this, they usually give you answers like: We don't have an innovation culture. Or, we don't have the right processes to sustain innovation. Or, we are too focused on operations and delivery to make any big changes. Or, people are too busy with their day-to-day deliverables to come up with new ideas.

What is the solution to this challenge? One view is to have a bunch of free-thinking mavericks, give them lots of resources, leave them alone and they will come up with some new things. But this approach doesn't go well with most senior managers who want predictability and accountability.

An alternate view is that "everyone can innovate," but that organisations need to be designed to facilitate innovation for this potential to be translated into reality.

Researchers and academics have debated the question of how to make organisations innovative for more than 50 years, starting with Burns and Stalker contrasting mechanistic with organic organisations. But a definitive answer remains elusive.

One thing is clear though - people are the sources of ideas, and you therefore can't have innovation without people. So, how people are managed is critical to building and sustaining an innovation engine.

Scope of this Special Issue

This Special Issue seeks to share contemporary perspectives on how to build and sustain innovation in organisations.

To understand the role of organisation design and people management in supporting innovation, we contacted senior HR managers and CXOs who work in organisations that have a reputation for innovation. The organisations include Aravind Eye Care, General Electric, Infosys, Intuit, Mindtree, Mphasis, the Murugappa Group, the Tata Group, Tata Steel, and Titan. These organisations represent a wide variety of organisations from non-profits to manufacturing to IT services to product companies to family-owned business groups to highly diversified global corporations.

We suggested to the contributors that they throw light on any or all of the following questions:

- *How can the organisation recruit and select people who will be good innovators? Are there any special processes and tools required to make this happen?*
- *How can the organisation motivate more people to become innovators?*
- *Does an organisation need to hire mavericks or outliers to drive innovation? If so, what are the special challenges in managing such people? And, how can such people be "managed"?*
- *Does innovation need training? If so, what kind of training and development programmes help?*
- *How is performance measurement different in innovative organisations?*
- *What kind of rewards and incentives are needed to sustain innovation in the organisation? How can these be integrated with other reward mechanisms in the organisation?*
- *Do managers need special training to ensure that they don't inadvertently curb innovation by those reporting to them? If so, what kind of training helps?*
- *How can the organisation groom managers to be more supportive of innovation?*

- *Does an organisation need a "Chief Innovation Officer" to drive innovation? If so, what would be the profile of an effective Chief Innovation Officer?*
- *What are the other organisational systems and practices that are needed to support innovation? How do these need to be linked to people management processes?*

We also approached academics and consultants who have worked on or studied innovation in organisations.

This special issue reflects the perspectives we got from these experts. As you will see, we have a collection of rich perspectives, based on the hands-on, close-up experiences of the authors.

The Perspectives in Brief

Two of our academic contributions look at some of the basic behavioural foundations of innovation:

- *Based on a study of 11 Indian R&D organisations,* ***Vishal Gupta*** *of IIM Ahmedabad identifies task-oriented behaviour, relation-oriented behaviour, team-building behaviour, empowering behaviour and leading by example behaviour as the five critical leadership behaviours that affect innovation.*
- ***Bishakha Majumdar*** *and* ***Kamal Jain*** *of IIM Indore do an extensive review of literature to identify the unique needs of creative people and some of the negative dimensions of creativity. Based on this review, they discuss the challenges in managing creative people in the workplace and how these challenges can be overcome.*

Ten contributions draw on specific organisational experiences or case studies to identify the structures, processes, initiatives and behaviours that helped innovation in their organisations:

- *Based on his experience with the Aravind Eyecare System,* ***R. Thulasiraj*** *argues in his contribution that the combination of a strong sense of purpose, evidence-based decision-making, and careful choice of people based on their attitudes and values are the main drivers of innovation in his organisation.*

- *Former CEO of the New Business Division at Titan Industries,* **LR Natarajan,** *explains in his article how the turnaround of Titan's jewellery business happened due to the democratisation of innovation across the organisation. Key steps in this process included designing structures and processes for innovation, identifying innovation themes, educating employees to be more innovative and using rewards and incentives to keep up the innovation momentum.*
- ***Aarif Aziz*** *of General Electric believes that the processes of talent acquisition, learning and development, performance management and leadership need to provide support to four important themes that have emerged as fundamental to an effective innovation culture – failing fast, diversity, shared purpose and talent.*
- *Particularly in the context of the new generation of millennials,* ***Vidya Santhanam*** *and* ***Krishnakumar Natarajan*** *of Mindtree strongly believe that democratisation of innovation is essential. They explain how the management of talent, the leadership processes and a customer-centric mindset at Mindtree help make innovation work for their company.*
- ***Ravi Arora*** *explains the genesis of group-wide innovation initiatives in the Tata Group. He then goes into details of the Tata Group Innovation Forum, Tata Innovista (a group-wide innovation contest), Tata Innometer (a common set of metrics to measure innovation), Dare to Try awards, and Open Innovation and Collaboration Initiatives to explain how these have contributed to the creation of an innovation culture.*
- ***Richard Lobo*** *of Infosys points out that every successful company would have a combination of both the new and "renew". He identifies making innovation a part of everyday business, putting innovations on a pedestal, throwing the idea into the crowd, rewarding failure, creating spaces where long-term initiatives can flourish, flexibility within the*

organisation structure, a clear and distinctive innovation methodology, and a viable system to drive innovations to market as the key elements that build the innovation culture at Infosys.

- *Intuit is a company well-known for its innovative financial software products. In his piece,* **Somnath Baishya** *of Intuit describes how philosophies and initiatives like Design for Delight, Assessing for Awesome, Innovation Wall of Fame, and Create the Offering Forum help Intuit retain its innovation culture even after is has grown large in size.*
- **R. Elango** *of Mphasis believes in a simple framework to drive innovation: Don't preach innovation to the 80% who are focused on delivery; focus on the 5% who will bring in disproportionate outcomes; re-vitalise your leadership for innovation; and contextualise the innovation template. He goes on to explain the key HR philosophies, policies and practices needed to support such an innovation framework.*
- **Peeyush Gupta** *of Tata Steel and* **DVR Seshadri** *of IIM Bangalore start by identifying three myths surrounding innovation in Indian organisations. They argue that leadership is the key factor to make innovation successful in India. Based on a case study of Tata Steel, they identify the critical factors that enable the success of transformation programmes that involve innovation.*
- *Drawing on an earlier case study of Wendt India Ltd.,* **Manoj Jaiswal, Suprita Jayaram** *of the Murugappa Group and* **Saugata Nandi,** *of METL Global Perspectives propose a fourteen-step model to build an innovation culture in organisations.*

And, finally, three other papers take a broad brush view of some of the challenges faced by organisations in enhancing innovation and propose ways of overcoming these challenges:

- *Israeli innovation experts* **Shlomo Maital** *and* **Arie Ruttenberg** *identify six maladies of the large global multinational corporation that impede innovation:*

CE my Opia, Top Down Itis, If It Aint Broke Dont Fix It Syndrome, Sloooow Poke Paralysis, Out Of Touch Disease, and Disciplinitis. Celebrating failure, bottom-up innovation programs, practising agile innovation, Let's Get Out of the Office Therapy, and building a skunkworks are some of the remedies Maital and Ruttenberg propose to combat these maladies.

- ***Abhoy Ojha*** *of IIM Bangalore identifies organisation culture, enabling conditions, processes and metrics as the four dimensions of organisation design for innovating organisations and explains the challenges in getting these dimensions right in the Indian context.*
- *In his consulting experience,* ***Vinay Dabholkar*** *has found that while many companies have launched innovation programs with the intention of involving people in the innovation process, sustaining motivation and enthusiasm has proved difficult. He identifies a "big bets only" approach, slow response to ideas, lack of support to develop ideas and absence of the right metrics as the four main hindrances to sustaining participation and proposes some ways of overcoming these hindrances.*

Taken together, these 15 articles provide a fascinating overview of the organisational and people-related challenges of building innovative organisations. I trust that these will provide useful triggers to readers facing similar challenges in their own organisations.

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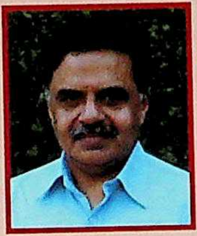
DESIGNING ORGANISATIONS FOR INNOVATION

ABHOY K OJHA

About the Author



Abhoy K. Ojha is a Professor in the Organisation Behaviour and Human Resources Area at the Indian Institute of Management Bangalore. He obtained his Doctor of Philosophy degree in Organisational Analysis from the University of Alberta, Edmonton, Canada. His other educational qualifications include a Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology, Kanpur and a Post Graduate Diploma in Administrative Management from Jamnalal Bajaj Institute of Management Studies (Bombay University), Mumbai. He has been an active researcher having presented his work in conferences of repute and published in domestic and international journals, and contributed several book chapters. He has also undertaken several consulting and training assignments in the private sector as well as in the government and public sector.

The Global Innovation Index (GII), co-published by Cornell University, INSEAD, and the World Intellectual Property Organisation, ranks countries based on their innovativeness. In 2014, India ranked 76 in list of 143 countries on the GII[1]. I believe that for a country like India that has so much scientific, engineering talent and innovation potential, the ranking can be better. In a recent convocation speech at the Indian Institute of Science (IISc) Bangalore, Mr. N. R. Narayana Murthy, co-founder and former Chairman of Infosys Technologies, stated, "There has not been a single invention from India in the last 60 years that became a household name globally, nor any idea that led to earth shaking invention to delight global citizens"[2]. This statement generated a lot of heated discussions among faculty members and people from industry, but unfortunately the statement does have some ring of truth to it. There is a need for significant improvements in the larger innovation eco-system in the country before it may be possible to hope for a significant improvement in ranking on the GII or have inventions from India that have a major impact across the globe. In this paper, I will focus on organisation design.

What is Innovation?

In the opening paragraph of this paper, I indicated that I was in agreement with the statement made by Mr. Narayana Murthy. However, I am concerned with the potential confusion between the terms invention and innovation in the statement. Maybe he did mean to use the word invention, as he was speaking at the institute that is one of the most respected research organisations in the country, and often the only one that makes it to the global rankings on research. In other words, may be his intention was to challenge the students and faculty members of IISc to invent technologies that would have global impact. However, his mention of the idea of the global delivery model and the

24 hour work day as contributions, if not inventions, of Infosys Technologies does suggest that indeed he may be confused about the difference between invention and innovation. Although there are other claimants for the credit, I am prepared to concede that Infosys was innovative in the adoption of organisational systems and processes that allowed it to deliver software developed in India across the globe and support those activities 24 hours by having offices in different time zones. However, that is different from being inventive.

An invention is something new that provides technical value that was not feasible before it was developed or invented. It may be based on the implementation of some new basic research or a recombination of existing research, but is considered an invention if it develops a technical capability that was earlier unavailable. The invention may or may not produce commercial or business value, that is, it may never lead to a product or service that is profitable for the company that takes it to the market. While a research organisation might take partial blame for not producing inventions that are successful in the market, the lack of impact of Indian inventions in the market, whether in India or globally, is not so much a reflection of the ability or inability of a research organisation to invent but more a reflection of the inability of business organisations in India to create business value from those inventions. Comparing IISc to Massachusetts Institute to Technology (MIT), and attributing the differences in global impact of their inventions to some characteristic differences between them is unfair. Rather than crediting commercial organisations that have associated with MIT to take the inventions to the market, his statement, by focusing on the university, shields the Indian industry from any blame. I think Indian organisations need to examine what makes them incapable of taking inventions to market. I will return to this theme when I discuss organisation design later in the paper.

Also, Mr. Murthy's exhortation to members of his audience to produce inventions that might obtain global respect or cater to global citizens is reflective of another impediment to innovation in India. Well respected industry captains, powerful politicians and other commentators seem to want the research organisations to not only walk but run before they have even nurtured them to crawl. Inventions at MIT are not outcomes of research that are intended to solve the problems of the world, but are problems that emerge from their context either identified by the researcher or brought to his/her attention by the industry. Some, not a majority, of these inventions have had major local or global impacts. In other words, many of the inventions at MIT have had an impact because they deal with 'real' issues in their context with high levels of industry support. As a result, there is significant transfer of inventions from laboratories to applications in the real world. In India, research organisations are 'forced' to do global research that is irrelevant to the local context, while global organisations rely on the established research organisations (e.g., MIT) for their inventions and local Indian organisations have little or no ability to absorb the inventions developed locally. This focus on global impact also demeans research that actually focuses on real issues in India. For example, IIT Kanpur has contributed significantly to improvement of safety in the Indian Railways by collaborating with the Research Designs and Standards Organization (RDSO) to develop and adopt state-of-the-art safety and control technologies defined by needs related to Indian conditions[3]. This should be celebrated and highlighted rather than neglected. I am sure that there may be similar examples from IISc.

This brings me to the stage where I can define innovation. As hinted above, innovation is about creating commercial or business value. As articulated by 3M, "Research (invention) is the transformation of money into knowledge... Innovation is the transformation of knowledge into money". Innovation is about developing a product or application that someone, individual or firm, is willing to consume and pay for, independent of whether it is based on a new invention or an old invention. In other words, innovation is the outcome of the application of a new or old invention or idea to create a product or process that results in commercial or business value in a given context. Most innovations are the outcomes of a deep understanding of real challenges faced by people or industry in combination with innovative insights that connect known inventions and technologies to provide solutions to those challenges. Stated differently, innovation resides at the intersection of invention (new or existing idea) and insight (new application) in a context. In order to be successful, an innovation need not be 'new to the world', it needs to be 'new to the context' in which it is applied. Despite being in an eco-system that is not conducive to innovation, several Indian organisations have been innovative in the second sense if not in the first sense. The launch of the Chandrayan by ISRO or the development of ACE mini-truck by Tata Motors or development of Finacle by Infosys are good examples of innovation as they have addressed needs in India and other similar contexts by being pioneers to address specific local challenges using available inventions and technologies, without necessarily being the first ones in the world to do similar things.

Innovation and Organization Design

Popular accounts of innovation often confuse the process of innovation with the process of creativity. They attribute the success of an innovation to the creative genius of an individual and suggest that once a creative idea has been conceived the rest of the organisation aligns with the idea to take it to fruition. Such naïve thinking encourages organisations to run creativity workshops and idea generation campaigns to generate leads for innovation. However, it is important to realize that providing the creative spark is the relatively easy part of an innovation process. The more difficult part is to channel the efforts of the relevant parts of the organisation to support the transformation of the creative idea to a real product or service that can be taken to the market. With a little twist to the statement attributed to Thomas A. Edison, it can be stated that "Innovation is one percent inspiration and ninety-nine percent perspiration".

Successful innovations are outcomes of well managed processes. However, as explained later, the processes need to be managed differently from the normal operating processes in organisations. Firstly, it should be recognized that while creativity plays a role in innovation, there is a strong need to translate ideas to models and prototypes before formally launching products. Organizations in India are handicapped by the low emphasis on practical training in colleges that produce graduates in engineering or other disciplines. Hence, they need to have formal interventions to make people 'dirty their hands' to improve their ability to follow an innovation from an idea to a finished product. Secondly, there needs to be realization that successful innovations are typically the outputs of a multi-disciplinary teams working together over long periods of time, and interacting with many experts outside the teams and in the market. Hence, organisations need to have preparatory programs that help team work and also help employees, particularly those with technical skills, to understand

and appreciate other points of view. Thirdly, there needs to be recognition that not all innovations are a result of processes that deliver outcomes as planned. In fact, innovations often result from random accidents or experiments that went awry. In other words, for every new product or service that leads to commercial success many fail. These conditions require an organisation to be careful in terms of how it designs its organisational structure and processes.

In a classic paper on organisation design, Jay R. Galbraith[4] contrasted the structures and processes that are required to facilitate regular operations with those required to support innovation. He argued that 'normal' organisations are generally designed to do something well for the millionth time and are quite incapable of doing something for the first time. Organizations that need to support innovation need to be designed such that they are effective doing things for the first time. Most established organisation need to have 'operating' organisations to support existing products and services, and require 'innovating' organisations to support new products and markets. In essence, organisations should have different structures and processes for the operating and innovating parts, and build 'distance' between them for each part to function smoothly. Consistent with these arguments, Govindarajan and Trimble[5], in a more recent article in *Harvard Business Review*, argued that business leaders must understand that since ongoing operations are repeatable, while innovation is non-routine, it needs different organisational support, and because ongoing operations are predictable, while innovation is uncertain, it needs different planning. In my assessment, most organisations in the Indian context are designed as operating organisations to conduct work related to known products and services with a focus on repeatability and efficiency, and are hence quite incapable of providing adequate support for innovation.

There have been several frameworks that have been suggested to allow organisations to assess their innovation capability and design organisations to support innovation. I will rely on the framework adopted for the Zinnov Award and Recognition Program for 'Great Place to Innovate' which in my mind provides a simple but comprehensive lens to understand organisations designed for innovation. Their framework focuses on four dimensions of organisation design (shown in Table 1).

Organization Culture: This dimension examines whether individuals and teams have the mind-set to think of work as non-routine and uncertain and have the capability to think in an unstructured fashion and take calculated risks to address emerging challenges. It also examines the role of senior managers in fostering such a culture – do they walk the talk to support risk taking behaviour or do they, despite making a public display of support for innovation, focus only on the bottom line as they would in an operating organisation?

In my view, the biggest impediment to innovation in India is the lack of organisational cultures that support innovation. A significant reason may be that most of the professionals currently occupying positions of responsibility related to innovation have an Indian middle class upbringing which is very risk averse. Also, a large majority of promoters, who have the money and are capable of taking risks, have yet to grasp the nature of risk in taking inventions to the market. Indian industry, whether in the private sector or public sector, has a very operative culture with a good ability to handle a proven technology with high probability of market success. Those involved with research and development

Table 1

Four dimensions of Organisation Design for Innovating Organisations

Organisation Culture	Organisations need to have employees who have an ability to cope with non-routine work and take calculated risks as they pursue innovation. Leaders need to publically and privately support innovation despite early failures.
Enabling Conditions	Organisations need to have adequate laboratory and equipment support as well as budgetary support. It also needs to have opportunities for innovators to interact with internal and external stakeholders.
Processes	Organisations need to have well-designed stage gate processes. They need to have processes to recruit and groom employees with diverse academic backgrounds and life experiences into innovators. Also, they need to have strong ties with others in the innovation eco-system.
Metrics	Organisations need to adopt appropriate metrics to assess progress in innovation. The metrics need to change as an organisation's innovation program goes through stages of maturity.

in the private sector get mixed signals from their top management – significant emphasis on innovation in public forums and pressure for predictable and high profits in actual internal decisions. In the public sector, most research and development departments have been reduced to employing people who are not good enough to do the operational tasks. If the challenge thrown by Mr. Murthy has to be accepted, organisations need to create organisational cultures that support innovation, otherwise a few decades later someone else might be making similar statements at the same or different forum.

Enabling Conditions: This dimension examines structural support for innovative work. It assesses whether the organisation has adequate laboratory and equipment support to conduct the innovative work, and the budgetary and top management support to think big and long term. It evaluates whether the innovation team (or larger group) has the necessary technical and non-technical knowledge and skills to innovate in the domain. Further, it assesses whether those working on innovation efforts have enough opportunities for interactions with relevant experts inside and outside the organisation in conferences and industry meets. It also seeks to know if those involved with innovation get opportunities to interact with others in the eco-system, including customers and end-uses, and suppliers etc.

The presence of the above features in an organisation ensures that the enabling conditions for innovation are in place. I believe that, until very recently, the laboratory and equipment support as well as budgetary support for innovation in India was woefully inadequate. This is reflected in the fact that India spends less than 1% of its GDP on R&D, while China spends about 2% and South Korea about 4%, and the government spending on R&D

in India outstrips private sector spending by a huge margin[6]. Also, much of the increase in private sector R&D in India is due to MNCs setting up R&D facilities in India. There is a need for captains of the industry to put their money where their mouth is and invest in R&D to take Indian inventions to the Indian market if not to the global market.

The second enabling condition that needs to be of focus is the opportunity for interaction with the customer and end-user. Any attempt to innovate is likely to fail unless there is close interaction between the innovator and customer and/ or end user. Many cash rich firms in the IT industry have attempted to innovate for global markets rather than the Indian market. While there is a valid argument that India does not provide a customer base that is willing to support innovation and hence the strategy to innovate for the US or European market which are more supportive is a good idea. But innovation requires deep understanding of customer needs and opportunities to prototype, with scope for experimentation and iterations between laboratory and markets. The few cases of innovation success in India, Tata Motors with ACE or Bajaj with its motorcycles or even 3M's 'pochha', have all provided ample opportunities for innovators to have rich interactions with the suppliers and customers in the eco-system. Learning from these experiences, firms should focus on innovation for India, and then think of taking a proven innovation to the world at the next stage.

Processes: While the above conditions focus on the static capabilities of the organisation, this dimension focuses on the dynamic capabilities. It assesses whether the organisation has the right processes to translate all the capabilities into actual work that will deliver the desired results. Does the organisation have a stage gate process and is it appropriate to its context? Do innovation teams have the right mix of technical and non-technical capabilities? Do they have appropriate reporting and escalation processes? Do they have explicit processes that encourage interactions with universities, research laboratories and others in the eco-system?

I believe that there is scope for many organisations to improve the implementation of the stage gate process. Different organisations may have different number of stages in their innovation process, but in general the early stages are focused on fundamental research, followed by stages that are more focused on product development, development of production processes, and final stages are focused on commercially viability of products. Unfortunately, unless they truly understand innovation, top managers focus on late stage issues at the early stages which hurts innovation. For example, a focus on commercial viability when the innovation is in the early stages of innovation is almost sure to kill the innovation. Worse, it will likely send signals to others in the organisation that the top management is not really interested in innovation.

A common problem in many Indian organisations is the belief that innovation requires technical skills, particularly engineering skills, and no other skills. Innovation teams require multiple skills so that an innovation can be assessed from multiple perspectives and improved on various dimensions that are important for market success. For example, a Bangalore based telecommunication technology provider developed a technologically sound product but could not obtain market success because it had not taken intellectual property issues into consideration. Indian firms need to get out of the mindset that innovation is about technology. They need to have processes to recruit and groom persons from a wide variety of educational background and life experiences for work on innovation.

Innovation used to be a very secretive process with innovation teams working on secret projects hidden from public glare. Today, innovation is a much more open process. Patents and copyrights protect intellectual property but the innovation process is open to external interactions. In the R&D triad, North America, Europe and Japan, are more recently in South Korea, corporations have very healthy interactions with government research laboratories and university based laboratories. One could put partial blame on the research establishment in India, for the lack of healthy interactions with industry, but industry cannot shy away from its responsibility. Indian firms have been happy to build relationships with MIT or Cornell, driven largely by branding needs, but unwilling to invest in the local ecosystem. This needs to change. Indian firms need to build relationships with Indian research organisations and universities to really have an impact on the global market in the future.

Metrics: If an organisation has made the right decisions related to organisational culture, enabling conditions and innovation processes, then innovations should follow. However, an organisation needs to establish metrics that will provide tangible measures of innovation within an organisation to assess progress on the innovation journey in order to make necessary changes or improvements to the innovation system.

As indicated above, many organisations have invested in many elements of organisation design that support innovation. However, due to deficiencies in one or two elements in organisational culture or inappropriate processes, the organisation may not achieve its goals. I believe managers need to be careful when selecting metrics for assessing innovation progress. Many managers forget that while the ultimate goal of innovation is revenues and/or profits from product introduced or enhanced by R&D effort, revenues may be an inappropriate metric to guide the innovation teams in early stages of their journey. Metrics are useless unless they provide proper feedback to decision makers. A new innovation may not lead to revenues for 10 years, so tracking revenues will provide no useful information on progress in the early stages. Also innovators will learn to neglect that metric and may resort to some inappropriate metric that they think provides useful information related to progress.

Metrics should be chosen such that they provide guidance to innovation teams as well as assessment tools to top management. For an organisation in the early stages of a journey of innovation, number of white papers or papers at technical conferences and journals are good metrics for all parties concerned. At the next stage, the number of patents filed and the number of patents obtained are useful metrics. Finally, after the innovation system has matured, metrics related to revenues from new products or profitability of new products might be more appropriate.

Conclusion

There are many reasons why Indian innovations have not had success in the global market, or even in India. Poor organisation design is one of them. Organizations need to realize that the organisation designs that support their success with existing products in current markets may not be the best in supporting the development of new products for future markets. They need to implement organisation designs that have the right organisational culture, enabling conditions, processes, and metrics to support innovation for their future survival, even as they retain their operating organisation designs for their current business.

(Endnotes)

1 https://www.globalinnovationindex.org/content.aspx?page=data-analysis

2 http://timesofindia.indiatimes.com/tech/tech-news/No-invention-earth-shaking-idea-from-India-in-60-years-Narayana-Murthy/articleshow/48086325.cms

3 http://www.iitk.ac.in/tmrs/html/MissionGoalandApproach.html

4 Galbraith, J. R.(1982) Designing the Innovating Organization, Organization Dynamics, pp.1-25.

5 Vijay Govindarajan and Chris Trimble (2010)Stop the Innovation Wars Tensions between your innovation team and core operations can derail your company's growth initiatives. Here's how to end those battles, *Harvard Business Review*, July–August

6 Source: Research and Development Statistics at a Glance 2011-12, Department of Science & Technology, Ministry of Science and Technology, Government of India.

FROM THE DYNAMIC TO THE DISRUPTIVE: DIFFICULTY IN DEALING WITH CREATIVE PEOPLE

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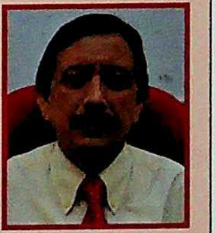

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Introduction

Human beings like success but they hate successful people", said Scott Thompson, the famous American stand-up comedian. Another variant of this, "organisations like creativity but they hate creative people", may often be heard in the corner rooms. Every organisation today seems to be talking about creativity and innovation, at the same time practitioners report managers sharing horror stories about managing creative people (*Levitt*, 2002; *Torr*, 2011). Such horror stories get magnified when one comes across research studies (*Kwang*, 2001) which conclude "nice" people are not creative, and creative people are not "nice." Nevertheless, in a 2012 survey of 1500 CEOs by IBM's Institute for Business Value, creativity was singled out as the most important leadership characteristic for businesses of the future (Leading through Connections, 2012) Apparently, letting creativity flow unrestrained and yet making it organisationally productive is a paradox many managers find difficult to resolve. As Kageyama (n.d.) puts it,

> *"We all value and enjoy the creative output of designers, chefs, and out-of-the-box thinkers in all corners of the market. And we celebrate innovative leaders and entrepreneurs and turn them into rock stars and celebrities. But interestingly, there is quite a bit of research which suggests that many of us actually have a bias against creative people. As in, we don't want them to be our leaders, we don't want them working for us, and most shockingly perhaps – we don't want them in our classrooms"*

Instances that illustrate the unmanageable aspects of creativity in organisations are not hard to come by. They appear in classrooms, in the corporate workplace, or in the open market. Creative people often stand out for their sharp thinking and eccentric habits, but also for their disregard for conventional social norms. The exchange between the famous musician Frank Zappa and his interviewer illustrate the point well:

Interviewer: 'So Frank, you have long hair. Does that make you a woman?'

Frank Zappa: 'You have a wooden leg. Does that make you a table?''

— Frank Zappa (azquotes, n.d.)

Creativity - A Paradox

Creativity, or the phenomenon of arriving at thoughts, outputs or solutions that are both novel and useful (*Czhikzentmihalyi*, 1996), have intrigued humankind since the ages – finding its application in areas as diverse as supply chain management, marketing, setting strategic goals of the firm and human resource management (e.g., *Mumford*, 2003; *Sternberg*, 1999; *Zhou,Shalley*, & *Zedeck*, 2011).

Creative people have been found to display positive qualities such as courage, openness and mental health (*Cropley*, 1990), and lead to positive organisational outcomes such as firm growth, customer satisfaction and employee engagement (*Amundsen & Martinsen*, 2015; *Dul & Ceylan*, 2014; *Khedhaouria, Gurău, &Torrès*, 2015; *Kibbeling, der Bij, & Weele*, 2013; *Weinzimmer, Michel, & Franczak*, 2011).

However, while creativity remains something widely desirable and valuable, it may not always lead to positive outcomes. The creative sparks of the employees may be directed against their own organisations – manifested in creative ways of shoplifting, dodging office work, or sabotaging the firm to show ones resentment. Secondly, even when creativity is not directed against the firm, creative people may be difficult to manage because of their enhanced need for autonomy, excitement and achievement – many of which may go against the organisation's existing structure and ways of people management (*Levitt*, 2002; *Oldham & Cummings*, 1996). Failure to provide the creative employees a conducive environment may lead to frustration, reduced creativity and maladaptive behaviour (*Cooper, Dewe & O'Driscoll*, 2001). On the other hand, overindulgence might lead to trivialization of the organisational norms, and cause dissatisfaction among other employees.

Though the difficulties that may emerge with creative people have been spoken about, this aspect of creativity has received less than sufficient research or theoretical attention (*James & Taylor*, 2010) .We provide a review of the major strands of research that have come up in this context and possible solutions proposed to combat them.

The Unique Needs of the Creative Employees

While most researchers acknowledge the role of environment – past experiences, supportive supervision or job complexity (*Amabile*, 1996; *Oldham & Cummings*, 1996) – on creative endeavours, many have also focused on the creative personality – a personality disposition that makes people more likely to think of novel or useful solutions to problems (*Cheung & Leung*, 2014). *Csikszentmihalyi* (1996) stated that the creative personality is characterised by divergent thinking, openness, sensitivity, passion, imagination, discipline and rebelliousness.

Davis (1999) observed that an understanding of the creative personality is incomplete without focusing on the negative characteristics that may appear disruptive to the environment in which the creative individual functions. He listed seven personality characteristics that characterise creative people that might lead to adjustment problems – hyperactivity, childish behaviour, egotism, impulsivity, absent mindedness, tendency to be argumentative and neuroticism (*Issa*, 2015). Other researchers too have associated creativity with negative traits like self-interest and non-conformity (*Feist*, 1999; *Gough*, 1979). These characteristics may make dealing with creative employees a complicated affair with unpredictable outcomes.

Following Mumford (2003), the work style of creative employees may be said to differ from that of non-creative employees in the following ways:

Intense focus on some specific interest, often excluding other life tasks

One of the core foundations of creativity is expertise (*Sternberg & Lubert*, 1999), and the expertise often builds up through substantial investment of a person's time and other resources on a particular endeavour (*Feldman*, 1999). However, due to this single-minded devotion to particular pursuits, the creative person may show apathy towards other tasks that do not interest him/her immediately, or towards dull, routine task that require non-creative solutions (*O'Brien, Anastasio, & Bushman* 2011). Vincent & Goncalo (2014) propose that an individual with a creative identity may respond to a non-creative task in one of the following ways:

1. Feeling demeaned at being asked to do such a task and therefore responding aggressively to others, or escaping the duty through some dishonest behaviour
2. Ignoring the duty
3. Withdrawing from the organisation

Driven by achievement motivation, rather than power or affiliation motives

Harrell and Stahl (1981) reported that creative people, such as scientists, tend to higher on achievement motivation while managers tend to be high on power or affiliation motives (*Mumford & Gustafson*, 1988). Hence the former may not be especially successful in people management or in team processes – as they tend to be less concerned about what others think of them or what is expected of them in social situations (*Mumford*, 2000). This lack of power or social motives makes creative people less likely to be perceived as leaders (*Mueller, Goncalo, & Kamdar*, 2011). Creative people also tend to be highly motivated by chances of professional achievement and recognition (Mumford, 2003). Hence team activities with collective outcomes may be demotivating for creative individuals.

Need for Autonomy

Creative people tend to have a strong need for autonomy and perform better under autonomous conditions (*Oldham & Cummings*, 1996; *Pelz & Andrews*, 1966). Hence, it may be difficult to keep creative people motivated in highly structured work conditions – such as the army – or where team-performance is valued over individual achievements. Lack of autonomy may promote negative reactions such as anger, distress and negative creativity in creative individuals (*Cooper et al.*, 2001) – and thus disrupt organisational activities.

Aggressive Tendencies

Carson (2011) opined that creative people are characterised by cognitive disinhibition that makes them less perceptive to social restrictions and norms. Perkins (1993) stated that aggression is a major feature of creative students – since the absence of regard for social opinions and need for nurturance, which made students self-reliant and adventurous, also made them aggressive (*Kwang*, 2001). Creative people have been suggested to be more ruthless and aggressive than ordinary individuals (Barron, 1968) although other researches show the opposite to be true (e.g., *Ekvall*, 1971).

Response to Time Pressures

Time pressures are ill-suited for positive creativity and lead to negative emotions (*Amabile, Conti, Coon, Lazenby, & Herron*, 1996; *Folkman, Lazarus, Gruen, & DeLongis*,1986). Hence working on projects with strict deadlines for deliverables may not be conducive for the optimal functioning of the creative people.

Work style suited for conditions of ambiguity

Mumford and Gustafson (1988) proposed that creative people's approach to work is exploratory and unstructured in a manner that is suited to find solutions to poorly defined problems. Hence creative people may not be comfortable in dealing with conditions that are structured, routine and directed – such as ordinary organisational activities.

Strict evaluative approach

Once the exploration phase is over, creative people tend to adopt a strict evaluative approach to test ideas for flaws and possible misrepresentations (*Feist & Gorman*, 1998). Hence, at times, the orientation of creative people towards their own work and that of others may be harsh, critical and highly evaluative – a stance that may not be conducive for team activities or for co-worker morale.

Work, rather than organisation, as a source of identity

Creative individuals are more likely to treat work and profession as a source of identity rather than the organisation for which they are working (*Bradway*, 1971; *Organ & Green*, 1981). Hence their organisational commitment is likely to be lower than that of non-creative employees. Further, it is difficult to motivate them by trying to enhance their commitment to their organisations.

Perception of injustice

Creative People have been found to respond to perceived injustice made by reducing their creativity towards positive goals and enhancing their creativity towards negative goals (*James et al.*, 1999). Thus dissatisfaction in creative individuals may be potentially more disruptive for the organisation than dissatisfaction in non-creative individuals.

The Dark Side: Negative and Maladaptive Creativity

According to Cropley (2010), creativity itself almost always involves breaking rules, since by definition creativity is against restrictions and constraints. Frank Zappa said, "If you end up with a boring miserable life because you listened to your mom, your dad, your teacher, your priest, or some guy on television telling you how to do your shit, then you deserve it." (*Goodreads.com, n.d.*)

In describing deviant creativity, Salcedo-Albaran, Kuszewski, de Leon-Beltran, and Garay (2009) distinguish between statutory rules (laws) and customary rules (norms). When statutory rules are violated, the product is seen as illegal, but breaking norms is more likely to be seen as positive and creative. Thus, often what is creative for one person may border on the offensive for another. Malevolent creativity is defined as 'creativity that is deliberately planned to damage others' (*Cropley, Kaufman, & Cropley*, 2008, p. 106) – such as terrorism, deception or trolling or aggressive humour (*Cropley et al.*, 2008; *Harris, Reiter-Palmon, & Kaufman*, 2013). Negative creativity is creativity with an undesirable effect, which however is accidental or unintended (*James et al.*, 1999)

Certain personality traits are found to predispose one to the dark aspects of creativity. Cropley (2010) mention the Dark Triad (Machiavellism, narcissism and psychopathy) that enhance predisposition to malevolent creativity. Other factors that appear to predict malevolent creativity include aggression,perceived victimhood (*Clark & James*, 1999; *Cropley*, 2010) and conflict related cognitions (*De Dreu & Nijstad*, 2008).

In a series of innovatively designed experiments, Gino and Ariley (2012) demonstrated that creativity is a stronger predictor of dishonesty than is intelligence. They also demonstrated that creatively primed people are more likely to cheat, owing to greater likelihood to spot and adopt unethical solutions to problems and greater ability to rationalize their dishonest behaviour as justified (*Mazar & Ariely*, 2006).

Vincent and Goncalo (2014) demonstrated that it is not creativity *per se* but a sense of being creative (creative identity) that leads to the dishonest streak in people. People with creative identity are likely to engage in creative behaviour at work (*Jaussi, Randel, & Dionne*, 2007) although they may not actually be more creative than others (*Lemons*, 2010). Such people believe themselves and their solutions to be creative – which in turn creates in them a sense of entitlement – since creativity is usually seen as something rare and valuable (*Campbell, Bonacci, Shelton, Exline, & Bushman*, 2004; *Goncalo, Flynn, & Kim*, 2010). This encourages them to go to any length in order to promote the ideas. In his book on Steve Jobs, the founder of Apple Inc., Isaacson (2011) pointed out that Steve Jobs drove his car without a license plate and frequently parked his car in spot reserved for disabled people.

The sense of entitlement that is associated with a creative identity has also been associated to other unproductive behaviours. Vincent& Goncalo (2014) argue that, because of its disruptive or counter intuitive nature, creativity often leads to disappointments and stalling of ideas. However, while an employee with a non-creative identity is likely to accept the disappointment, the sense of entitlement is likely to lead to a sense of victimization in the person with creative ideation (*Zitek, Jordan, Monin, & Leach*, 2010). This in turn is likely to lead to aggressive response to a criticism (*Campbell et al.*, 2004; *Exline, Baumeister, Bushman, Campbell, & Finkel*, 2004)

Ways of Managing Creative People

Over the decades, researchers and practitioners have investigated and enumerated the ways to enhance creativity and create a work environment suitable for creative endeavours. The important factors that emerged are democratic, considerate, and participative leader behaviour (*Hage & Dewar*, 1973), supportive non-controlling supervision (*Oldham & Cummings*, 1996), quality leader-member exchange (*Tierney, Farmer, & Graen*, 1999), and transformational leadership style (*Oke, Munshi, & Walumbwa*, 2009) Among the environmental factors that enhance creativity, researchers identify uncritical work environment that lets employees try out different approached without being worried about failures attracting negative outcomes (*Amabile et al.*, 1996), rewards for creative performance through compensation and other HR-related policies (*Jung, Chow, & Wu*, 2003) and an organisational climate and culture that nurtures creativity and facilitates diffusion of learning (*Yukl*, 1989).

Representative rules are often considered the best way to ensure conformity. Goffee and Jones(2007) mention Alvin Gouldner's classification of environment in terms of rules – mock bureaucracy (where everyone ignore the rules), punishment-centered bureaucracy (where one group impose rules on another), and representative bureaucracy (where everyone accepts the rules). Clever people respond best to representative rules.

Research is, however, relatively silent on how to counter the negative aspects of creativity at work (*James & Taylor*, 2010). Suggested interventions usually take one of the two ways: identifying people with vulnerabilities and arranging for appropriate placement and customised personnel interventions, and scanning situations for vulnerabilities to negative creative approaches and applying counter measures to prevent the harm of negative creativity (*Clark & James*, 1999).

Self-awareness has often been found to be an effective solution against dishonest behaviour (*Carver*, 2003). However the same may not hold true for the creative people, since self-awareness may further enhance the feeling of entitlement (*Westen*, 1990). Vincent and Goncalo (2014) suggest that to curb the negative effects of a creative identity – organisations should strive to lower the employee's sense of entitlement, by indulging in exercises that build awareness about why one does not deserve more than others. Also, organisations should strive to enhance group creativity rather than individual creativity, by making creativity a formal job requirement (*Unsworth, Wall, & Carter*, 2005) and providing creative goals and creative role models (Zhou, 2003)

Illies and Reiter-Palmon (2008) showed that malevolence in the problem construction phase can spark subsequent malevolent creativity. Organizations may curb tendencies to negative creativity by encouraging employees to conceptualise problems within the ethical and legal boundaries – which may discourage subsequent straying into deviant creative solutions.

Speaking in the context of engineering creativity, Fleddermann (2004) lays down four criteria to offset tendencies to maladaptive or negative creativity (Cropley, 2010). These are as follows:

- Compilation with applicable legal standards
- Compilation with acceptable standards
- Exploration of alternatives that are potentially safer
- Predict ways in which the product may be misused by consumers and design ways to avoid the problems

Finally, conscientiousness and emotional intelligence have been found to relate negatively to maladaptive creativity, rebelliousness and disregard for collective well-being (Lee and Dow, 2011; Harris et al., 2013). Organizations may invest in providing training to enhance these qualities in creative employees so that their creativity is channelized to productive ends.

Managing Other Employees in the midst of Creative Employees

In the quest to promote creativity, organisations should not ignore the contribution of conformists. "When you're building an innovation team, it's a given that you need creative people. But they're not enough" argue Miron-Spektor, Erez, and Naveh (2012). According to them while about 50% of people tend to display mixed thought patterns – the rest tend to fall in one of the following categories – creatives (sourcing radical ideas but not usually attentive to usefulness), conformists (supporting creatives and enhancing teamwork) and detail-oriented people (ensuring adherence to regulations). Miron-Spektor et al. (2012) found that teams with the greatest levels of innovation typically had 20-30% of creatives, 10-20% of conformists and upto 10% of detail-oriented people.

Nurturing creativity sometimes goes against many things that the organisation stands for – an eye on the bottom line, adherence to norms, teamwork, and equity in output and rewards. This may create bad blood among other employees, and even supervisors, who feel that the creative employees often get unfair advantages or non-commensurate rewards and recognition. Such feelings alienates the so called non-creatives, without whose labour innovations may not see the light of the day. Further, it may disrupt the well-being of the creative individuals at the workplace (*Liu, Liao, & Loi,* 2012).

Miron-Spektor et al. (2012) showed that having a mix of creative and non-creative people in work groups facilitates innovation. Firms may combat possible jealous feelings by building teams of people with various creative and non-creative competences and providing group rewards for innovations, in addition to individual rewards. This facilitates idea-implementation and at the same time drive home the notion that creativity benefits all. Pin & Stein (2014) suggests that humility and generosity are two important qualities to ward of workplace jealousies. Generosity makes employees prioritise the well-being of others ahead of their own, and humility ensures that the employees have a realistic perception of their skills and limitations (Owens & Heckman, 2012).

Vechhio (2005) reports that employee's machiavellism and position as an in-group member in leader-member exchange may subject him/her to co-worker envy (also *Kim, O'Neill, & Cho,* 2010). Organisations may combat this by establishing distributive justice, through clear norms for rewards and learning opportunities.

Other important ways to balance reward programmes focused on creativity is to recognise routine operations and their value to the firm – through rewards and promotions, and giving everyone the opportunity to be creative – through choices for job rotation or taking up creative projects. This helps the company tap hidden potential and builds awareness in employees about their own creative abilities – making them see the logic of rewarding creativity more quickly.

Envy can sometimes also facilitate creativity, particularly when it is benign and when employees feel self-improvement is possible (*Van de Ven, Zeelenberg, &*

Pieters, 2011). Managers may utilize this by projecting creative employees as 'outstanding but attainable' role models and by providing scope for development of creative potentials (*Van de Ven et al.*, 2011, p. 792).

Conclusion

In his article 'Creativity is not enough', Levitt (2002) distinguishes between creativity and innovation – saying that the latter is what the organisation needs. Innovation comes with a lot of responsibility, willingness, and ability to not only generate but also implement ideas, discipline, and readiness to put up with the mundane everyday organisational activities that cushion the creative sparks. While organisations fear killing the creative spirit in the employees with too much of the routine, research on the dark side of creativity also show how firms struggle to make room for the creative thinker – in a business world where competence comes with structure, standardization and systematization. Understanding the dynamics of the creative mind is imperative in understanding how to best utilize it to suit the need of a dynamic environment. Appreciating that the dynamics of creativity may range from the desired to the disruptive,may be the first step to it.

In a fast changing, highly turbulent, ambiguous, and complex business environment, organisations need people who are game changers. Creative people can be an organisation's greatest rain makers. However, they may also make you need a pace maker. But who said management was for weak hearted? Psychologists like Shannon L. Alder can come to one's rescue, who would tell that "If you think people in your life are normal, then you undoubtedly have not spent any time getting to know the abnormal side of them" (Goodreads, n.d.).

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FOURTEEN STEPS TO BUILDING A CULTURE OF INNOVATION

MANOJ JAISWAL, SAUGATA NANDI and SUPRITA JAYARAM

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Prior to this he was working as a Principal Consultant in the Leadership Group at Infosys Leadership Institute. He has nearly 19 years of experience in corporate training and consulting. Some of the clients whom he has trained are Pricewater House Coopers, NIIT Malaysia, Raddison Hotel Kathmandu, HCL Corporation, MAIT, NTPC, BHEL, CAG, Railways, Infar, Modipon, and Delhi Police.

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Saugata Nandi, is a management consultant and a learning and development specialist with expertise in the areas of strategy, business, sales and managerial finance. Saugata has 24 years of accomplished experience, starting his career with engineering projects and then spending over 18 years in learning and development with a diverse range of companies like airtel, D'décor, Coromandel International, MMTCL and ABG Group, CUMI, TI Cycles, ITC Infotech.

Saugata Nandi has acquired his management education in General Management (PGCGM) from IIM Kolkata after completing his graduation in Mechanical Engineering from NIT Durgapur.

His areas of expertise range from leadership competence definition, providing coaching, defining strategy, analyzing business, and designing and executing relevant learning sessions and modules. Some of the topics where he engages on are - strategy, business, sales, customer service, business acumen, competitive advantage, core competence, growing a business and managerial finance.

With his belief of setting high standards, personal enthusiasm and achieving set goals, Saugata is sought after in transforming an organisation from resource-based to capability-based.

Suprita Jayaram, has worked in the Murugappa Group's Management Development Centre as a Content writer for Training modules on Behavioural competencies. She holds three Masters Degrees of which two are from the UK. The subjects she majored in were Sociology, Globalisation and Development Studies. She's also had a stint at doing developmental work in an NGO in Jaipur, where she wrote advocacy notes and passionately tried to understand the socio-economic reality that affected farmers and their households.

Suprita enjoys the journey of learning and immensely appreciates scope for human development. This is reflected in her passion for work in the training and development space and her choice of academic topics, she researched during her post-graduate courses.

The idea of innovation in organisations is no longer one that is seen distantly by companies. Several anecdotes picked out from the corporate world describe the urgency to institutionalise the process of innovation in organisations. Corporate boards no longer see any merit in asking "Why innovate?"; rather their questions today are more and more about "how to innovate?".

This paper succinctly highlights what it takes to build an organisation that fosters the culture of innovation. This paper draws predominantly from a case-study titled *Building an innovative Organisation – A case study on Wendt (India) Limited,* and zooms in on fourteen key steps that offer a roadmap to building a culture of innovation in organisations. This paper will serve as a practical guide to practitioners of OD and those involved in managing change while keeping the eye on execution excellence.

The point that this paper seeks to drive is that innovation is not about striving towards continuous improvement (as is normally construed); rather, it is about discovering a *new* way of doing business across several dimensions which leads to exponential business benefits.

The fourteen step approach to innovation

The fourteen step approach to innovation serves as a road map that one can use to guide the process of innovation in any organisation.

The fourteen steps follow a sequence, and it is advisable for organisations to adhere to that sequence.

1. Find out if it is time to innovate and where (in the production cycle) to innovate
2. Define innovation for your organisation
3. Drive innovation agenda from leadership levels
4. Create an innovation council
5. Create an innovation vision
6. Create an innovation strategy
7. Define an innovation budget
8. Communicate the innovation vision and strategy consistently across the organisation
9. Create innovation processes and metrics
10. Remove obstacles to innovation
11. Build organisational capability on innovation

12. Institute awards, rewards and recognitions
13. Build a governance mechanism
14. Institutionalise innovation across the organisation

Step 1: Find out if it is time to innovate and where to innovate

It is critical that the organisations undertake a reality check of their current state in the innovation journey. The **Table 1** on next page is an assessment tool that helps diagnose the health of the organisation in the innovation space.

This table is indicative of 'Who you are as an organisation and thereby what you should be doing?' The journey from the stage of *starting innovation in an organisation* to the stage of *building a culture of innovation* is seen in terms of *Organisational focus* and *External focus* along four stages of progression in the continuum of building an innovative culture. The stages are: Review innovation (Start innovation), Implement Innovation (Provide focus on innovation), Increase Innovation and Institutionalise innovation (Build a culture of innovation).

With respect to the organisational focus, the percentage or number qualifies which stage in the journey towards building a culture of innovation, an organisation is at. For instance, if 40 percent of the revenue and profitability accrue from products and services that have been introduced less than two years ago, then the organisation has a well institutionalised culture of innovation. However, if it has only 10 percent of its revenue and profits accruing from products and services that have been introduced less than two years ago, then the organisation has only started its journey towards building a culture of innovation[1].

All the questions for which the organisation is not in the phase of "increasing innovation" or "institutionalising innovation" are areas where the organisation needs to focus for either reviewing or implementing innovation.

Answer(s) to the question of 'where to innovate', are drawn from Sawhney's Innovation Radar (Sawhney et al, 2006), which spans twelve dimensions of business innovation.

A brief description of the twelve dimensions:

Offerings: Offerings are simply a company's product and services. Innovation along this dimension requires the creation of new products and services that are valued by customers. Typically, if offerings address key points on ease of use, affordability and giving the consumer a lot more than

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[1] Upon carrying out a diagnostic self-assessment of your organisation;

- If most of your responses are under *review innovation* then in all likelihood you are in a status quo and need to start innovation
- If most of your responses are under *implement innovation* then in all likelihood innovation is taking place in a sporadic manner and you need to focus on the same
- If most of your responses are under *increase innovation* then in all likelihood innovation is taking root in your organisation and increased attention would be necessary
- If most of your responses are under *institutionalise innovation* then in all likelihood you have a sustainable competitive advantage and must start the process of institutionalising innovation in your organisation

Statement	Review Innovation	Implement Innovation	Increase Innovation	Institutionalize Innovation
Organization focus				
A. What percentage of revenue and profitability accrue from products and services that have been introduced less than two years ago?	10%	20%	30%	40%
B. How many new products, services and applications are in various stages of the pipeline?	10	15	20	25
C. How much improvement has been there in the operational metrics from process innovations?	10%	20%	30%	40%
External focus				
D. Have the customer segments changed significantly over the past three years?	Not at all	Partly	Mostly	Totally
E. Have the markets changed significantly over the past three years?	Not at all	Partly	Mostly	Totally
F. Do your customers perceive your organization differently from what they did three years ago?	Not at all	Partly	Mostly	Totally
G. Have new competitors entered your line of business?	Many	Some	Few	Not at all

Table 1: Find out if it is time to innovate

expected, then the offerings are a sure-shot winner in the market.

Platform: A platform is a set of common components, assembly methods or technologies that serve as building blocks for a portfolio of products or services. Platform innovation involves exploiting the 'power of commonality'- using modularity to create a diverse set of derivative offerings more quickly and cheaply than if they were stand-alone items. The key focus is about gaining efficiency advantages.

Solutions: A solution is a customised, integrated combination of products, services and information that solves a customer problem. Solution innovation creates value for customers through the breadth of assortment and the depth of integration of the different elements.

Customers: Customers are either individuals or organisations that use a company's offerings to satisfy certain needs. To innovate along this dimension, the company can discover new customer segments or uncover unment (and sometime unarticulated) needs.

Customer Experience: This dimension covers everything that a customer sees, hears, feels and otherwise experiences while interacting with a company at all moments. To innovate here, the company needs to rethink the interface between the organisation and its customers.

Value Capture: this refers to the mechanism that a company uses to recapture the value it creates. To innovate along this dimension, the company can discover untapped revenue streams, develop novel pricing systems and otherwise expand its ability to capture value from interactions with customers and partners.

Processes: These are configurations of business activities used to conduct internal operations. To innovate along this dimension, a company can redesign its processes for greater efficiency, higher quality, or faster cycle time.

Organization: This is the way in which a company structures itself, its partnerships and its employee roles and responsibilities. Organisational innovation often involves rethinking the scope of the firm's activities as well as redefining the roles, responsibilities and incentives of different business units and individuals.

Supply chain: This is the sequence of activities and agents that moves goods, services and information from source to delivery of products and services. To innovate in this dimension, a company can streamline the flow of information through the supply chain, change its structure or enhance collaboration of its participants.

Presence: Points of presence are the channels of distribution that a company employs to take offerings to market and the places where its offerings can be bought or used by customers. Innovation in this dimension involves creating new points of presence or using existing ones in creative ways.

Networking: A company and its products and services are connected to customers through a network that can sometimes become a part of the firm's competitive advantage. Innovations in this dimension consist of enhancements to the network that increase the value of the company's offerings.

Brand: The symbols, marks or words which a company communicates a promise to customers. To innovate in this dimension, the company leverages or extends its brand in creative ways.

The innovation radar which measures a company's standing on all these twelve parameters can help how companies decide and strategize on their approach to innovation. Specifically, the radar could help a firm determine how its current innovation strategy stacks up against its competitors. Using that information, the company could then identify opportunities and prioritise on which dimensions to focus its efforts.

Step 2: Define innovation for your organisation

It is often seen that executives at different levels in organisations have varied understanding of what innovation means. Such diversity in the basic definition of innovation in an organisational context is counter-productive. Hence, it is the top-management's responsibility to create a shared understanding of the meaning and scope of innovation across the organisation. In order to arrive at a common definition, senior management can use brainstorming techniques to collect the various definitions of innovation across the organisation and then build a common definition, incorporating meaningful perspectives derived from the brainstorming exercise.

This acquired definition of innovation for the organisation is critical in sustaining the process of innovation, as it builds a unified and shared vision across the organisation.

Step 3: Drive the innovation agenda from leadership levels

Driving a strong innovation agenda is crucial to sustain the energy to innovate in any organisation. This is more so since embarking on an innovative journey involves an opportunity cost or risk. It is the role of the leadership in the organisation to drive this initiative. Driving the innovation agenda is akin to fuelling a new journey. "Driving the agenda", translates to the action of implementing the steps involved in the process of building an innovative organisation.

However, typically, a lot of organisations assign the grave responsibility of driving the innovation agenda in the organisation to someone who is relatively free (from work responsibilities implying that the incumbent is not actively involved in the running of the business operations). This approach may not sustain, as the incumbent responsible to drive the innovation agenda will not be able to create the urgency and the buy-in, perhaps for lack of the knowledge of practical business constraints afflicting decision-makers in the organisation.

The leader should have the willingness and ability to drive this across the organisation and should inspire confidence in teams across the organisation to follow through on the process. Leaders are the embodiment of their organisation and its way of believing, thinking and doing. The quality of a CEO's leadership will determine whether the innovation succeeds or fails. It is the CEO who provides the vision, values, direction and passion, which are far more important to success than a set of innovation tools or processes.

The attributes that are ideal for an innovation champion are:

- In-depth customer insight
- Leading edge technical awareness
- Inspirational leadership
- Sharing knowledge
- In-depth understanding of operations

Step 4: Create an innovation council

The key challenge for any business is to sustain innovation. One of the ways in which this can be done is by creating an 'Innovation council'. The responsibility of the council is to build a culture of innovation, look at processes and policies that will facilitate the institutionalisation of innovation and act as a governance mechanism. **Figure 1** on next page shows a sample design of an innovation council.

Step 5: Create an innovation vision

It is very important for an organisation to have a vision.

The official statement of 3M, for instance, is "to be the most innovative enterprise in the world" and 3M's basic definition of innovation is: new ideas + action or implementation which results in a significant improvement, gain or profit".

The vision has to be co-created by senior executives. For this, they should also take the views of all stakeholders in creating their vision statement.

Step 6: Create an innovation strategy

An organisation must create a short-term, medium term and long term strategy to drive its innovation initiative across the organisation. An innovation strategy as described in **Table 2** spans three time scales – Short term, Medium term and Long term along which the following are detailed: Strategic goal, essential

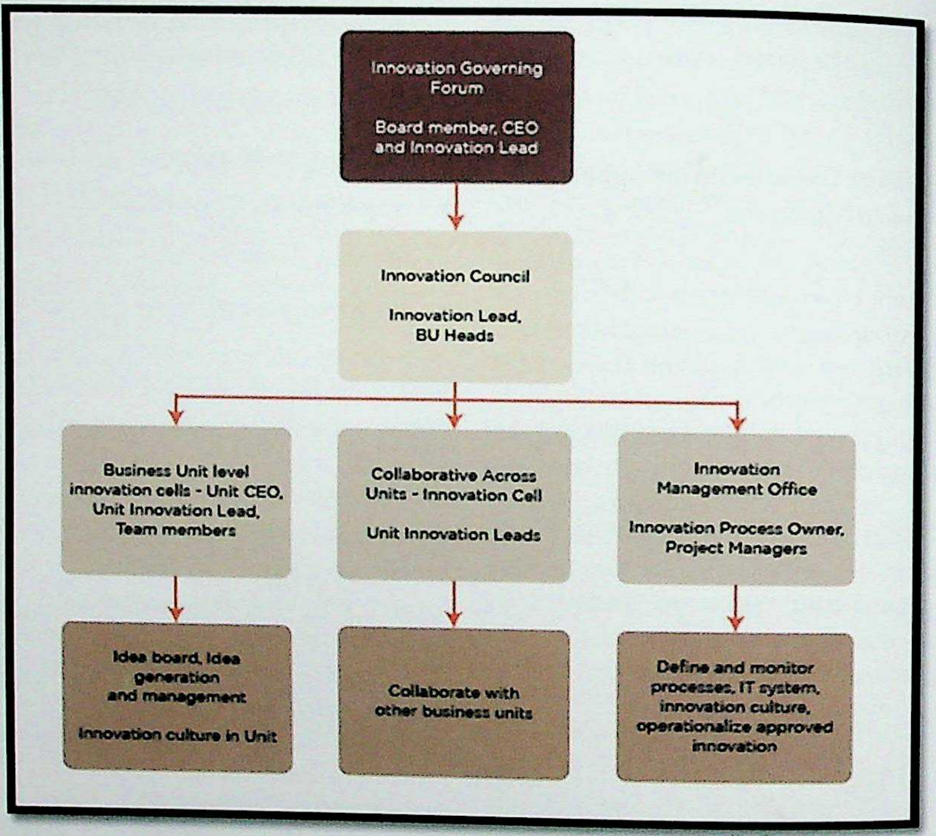

Innovation Governing Forum
Board member, CEO and Innovation Lead
Innovation Council
Innovation Lead, BU Heads
Business Unit level innovation cells - Unit CEO, Unit Innovation Lead, Team members
Collaborative Across Units - Innovation Cell
Unit Innovation Leads
Innovation Management Office
Innovation Process Owner, Project Managers
Idea board, Idea generation and management
Innovation culture in Unit
Collaborate with other business units
Define and monitor processes, IT system, innovation culture, operationalize approved innovation

Figure 1: Sample design of an Innovation Council

function for the goal, inputs required for the function, outputs expected from the function, success factors that would help see through the goal, and typical challenges in pursuing the goal.

Table 2 provides an illustration of an innovation strategy.

Step 7: Define an Innovation Budget

Several key people state that they want innovation but do not have the budget. Any initiative that is not budgeted upfront is bound to fail. It is important that the senior management makes a provision for the budget in terms of both manpower and funds, and any other resources required.

The practice at Google and 3M is to allow employees to spend 15-20% of their time at work focusing on their 'pet' projects. These policies have been responsible for spreading a wave of innovation and new products in both the organisations.

The **Table 3** below presents a macro picture of India's share of GDP spent in R&D, which compares poorly with its peers.

Step 8: Create the Innovation vision and strategy consistently across the organisation.

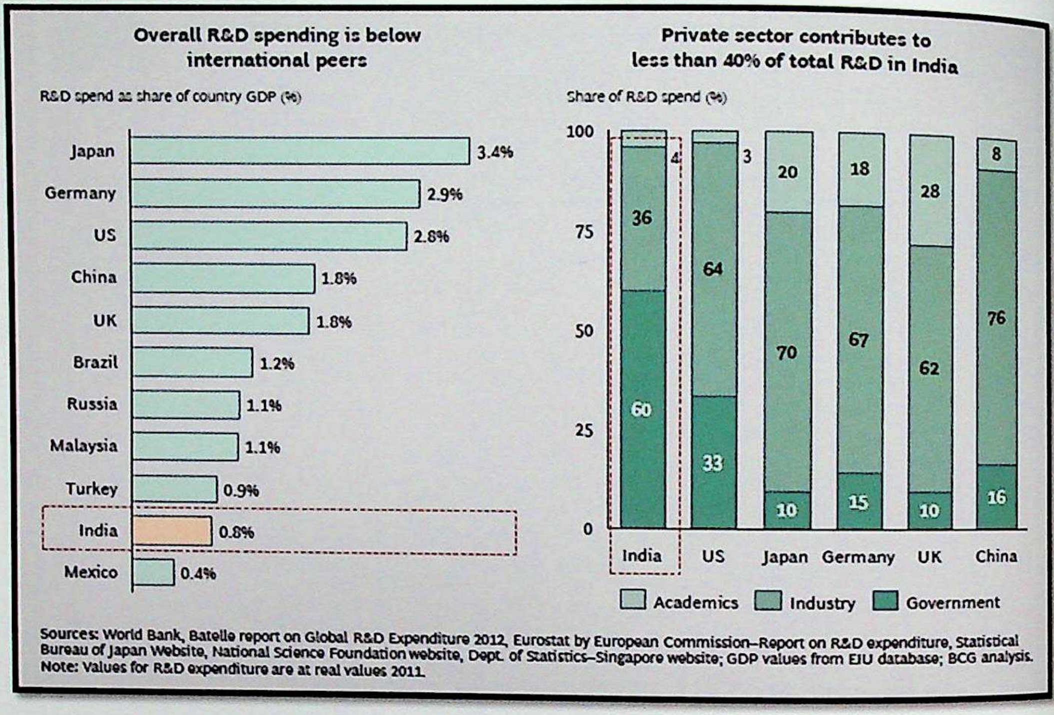
A clear and consistent communication strategy goes a long way in spreading the message of innovation. It is crucial to be consistent in the content (purpose) of the message across time and across various levels in the organisation.

The organisation needs to prepare the following documents:

	Short-term Strategy	Medium-term Strategy	Long-term Strategy
Strategic Goal	Facilitate entrepreneurial employees and teams	Reinvigorate or transform business unit; support corporate entrepreneurship teams	Exploit cross cutting or disruptive opportunities
Essential function	Provide independent funding and executive attention to future business leaders with new ideas	Evangelize, coach, and facilitate business unit in pursuing new opportunities	Provide full-service corporate entrepreneurship by conceiving, screening, funding, coaching, scaling and reintegrating new business concepts
Inputs	Dedicated money, executive engagement, and recruitment and personnel development	Well-connected corporate veterans with a small staff of business-building coaches and a CEO imprimatur	Well-connected corporate veteran leadership with full-time staff and significant independent funding
Outputs	Proven concepts, but generally within firm's strategic frame	New business relatively close to a business unit core or significant business unit process efficiencies	Self-sustaining and/or potentially disruptive new business that may or may not fit any existing business unit
Success factors	Culture of innovation Structural flexibility for teams to pursue projects Well defined executive involvement in milestone funding decisions Effectively communicated selection process and criteria	Expertise in building new businesses Significant team facilitation capabilities Skill in coalition building and internal and external networking C-level visibility and support	Expertise in building new businesses Respected leadership with significant internal decision authority Explicit attention to corporate entrepreneurship executive career incentives
Typical challenges	Senior executive bandwidth Maintaining coherence and discipline with respect to corporate brands Finding and satisfying project champions	Overcoming business unit near term pressures Finding business-builders among executives traditionally rewarded more for execution than for innovation	Reintegrating successful projects into the core Leadership succession Lack of business unit support

Table 2: Innovation Strategy

- Presentation of the overall innovation agenda
- Stating the innovation vision
- Presentation of the strategy and implementation process
- Fact sheet of the innovation strategy
- Posters
- Email to employees stating the innovation agenda and what is expected out of everyone.
- Creation of intranet website and/or blog



Sources: World Bank, Batelle report on Global R&D Expenditure 2012, Eurostat by European Commission–Report on R&D expenditure, Statistical Bureau of Japan Website, National Science Foundation website, Dept. of Statistics–Singapore website; GDP values from EIU database; BCG analysis.
Note: Values for R&D expenditure are at real values 2011.

Table 3: India's Share of GDP spent in R&D

Source: BCG (2014): Making in India: Turning Vision into Reality

As indicated in **Table 4** below, the organisation will have to craft appropriate messages about the innovation strategy depending on 'who is talking to whom'. The CEO, CXO and the functional heads will convey the message of the innovation strategy to their respective audiences.

Step 9: Create Innovation processes and metrics

To improve innovation, executives need to view the process of transforming ideas into commercial outputs as an integrated flow. The first of these phases in the chain is to *generate* ideas; this can happen inside a unit, across units in a company, or outside a firm. The second phase is to *convert* ideas, or, more specifically, select ideas for funding and developing them

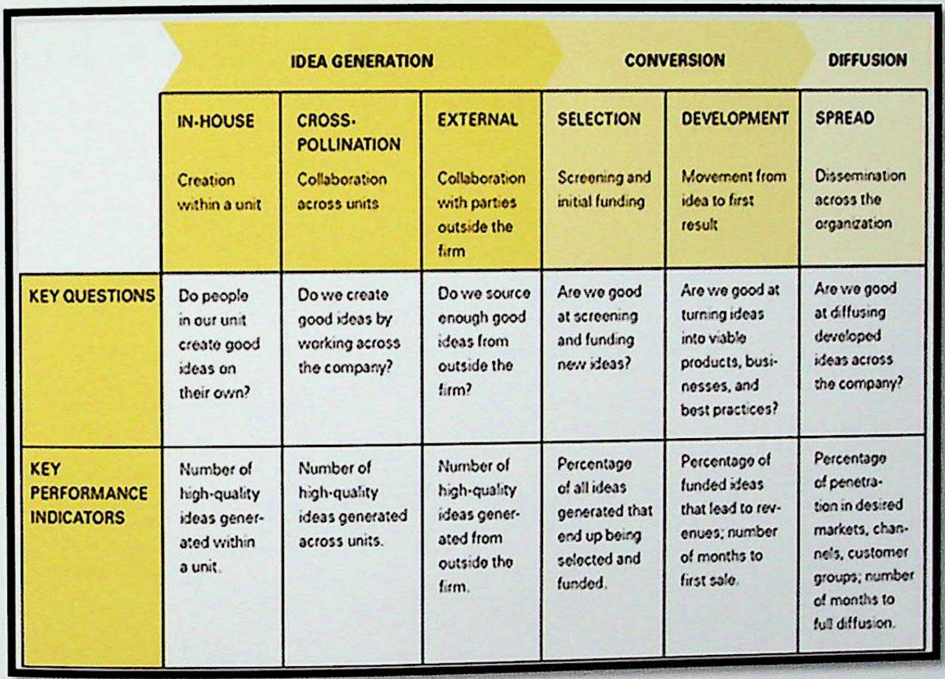
Role Holder	Message Forum
CEO	Town hall with employees, analyst and investor meets, board members
CXO	Across the organization and various departments
Functional heads and business heads	Detailed communication across various levels

Table 4: Who talks to whom

into products or practices. The third is to *diffuse* those products and practices (Hansen, T.M, Birkinshaw, J, 2007) **Table 5**, above illustrates such a flow. (**See Appendix 1** – for metrics on each stage of the integrated flow)

Idea board

As part of the exercise in creating an integrated flow, it is critical that organisations set up the concept of an *idea board*. Idea boards encourage ideas from people that focus on the problems that the business is facing while letting them post their own ideas as well.



	IDEA GENERATION			CONVERSION		DIFFUSION
	IN-HOUSE Creation within a unit	**CROSS-POLLINATION** Collaboration across units	**EXTERNAL** Collaboration with parties outside the firm	**SELECTION** Screening and initial funding	**DEVELOPMENT** Movement from idea to first result	**SPREAD** Dissemination across the organization
KEY QUESTIONS	Do people in our unit create good ideas on their own?	Do we create good ideas by working across the company?	Do we source enough good ideas from outside the firm?	Are we good at screening and funding new ideas?	Are we good at turning ideas into viable products, businesses, and best practices?	Are we good at diffusing developed ideas across the company?
KEY PERFORMANCE INDICATORS	Number of high-quality ideas generated within a unit.	Number of high-quality ideas generated across units.	Number of high-quality ideas generated from outside the firm.	Percentage of all ideas generated that end up being selected and funded.	Percentage of funded ideas that lead to revenues; number of months to first sale.	Percentage of penetration in desired markets, channels, customer groups; number of months to full diffusion.

Table 5: Idea generation, Conversion and Diffusion

Source: Birkinshaw, J et al (2007)

In the process of ideating as illustrated in **Table 6**, the organisation should attempt to set up a Centre of Excellence for Innovation. The objective of this Centre will be to:

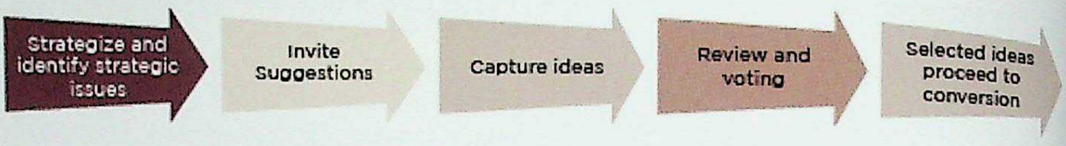
- Diagnose the current strengths and areas of improvement of the organisation
- Benchmark with the best in class in the specific area
- Build competency of the organisation in the given centre for excellence
- Build metrics, systems, structure and policies to build the given competence in the organisation

Step 10: Remove obstacles to Innovation

The organisation needs to resolve the forces that go against it, in a systematic way, while reinforcing the forces in favour of innovation. **Table 7** on next page lists out the major barriers to innovation and their associated symptoms and useful remedies to deal with the barriers to innovate.

Step 11: Build organisational capability on Innovation

Building organisational capability is essential for fostering innovation. Typically, building organisational capability will be in the form of extensive training programmes that create a common approach towards innovation in the organisation. This goes


Strategize and identify strategic issues
Invite Suggestions
Capture ideas
Review and voting
Selected ideas proceed to conversion

The process is defined below in terms of process stage, description and respective examples:

Process stage	Description	Example
Stage 1: Strategize and identify strategic issues	Business unit heads meet and identify the critical challenges that the business is facing	Challenges can be raw material costs increasing, global competitors with superior products entering the market, rapid commoditizing and pressure on prices ...
Stage 2: Invite suggestions	These challenges are posted on the idea board and suggestions invited for innovation projects	People with thoughts on countering these problems will be encouraged to post their ideas
Stage 3: Capture ideas	Individuals will post their ideas on the idea board	Raw material challenge - 25 ideas Global competition challenge - 15 ideas Pricing challenge - 40 ideas
Stage 4: Review and voting	The suggested options will be reviewed by expert committee and voted upon by peer groups to get the right thought to take forward	Screening and voting to seek the most innovative idea Raw material challenge - Voting - 5 ideas; screening - 5 ideas Global competition challenge - Voting - 3 ideas; screening - 2 ideas Pricing challenge - Voting - 12 ideas; screening - 8 ideas
Stage 5: Selected ideas proceed to conversion	The successful ideas are taken to the next step	Successful ideas get to the IMO for further processing

Table 6: The process of ideating and creating a center of excellence for innovation

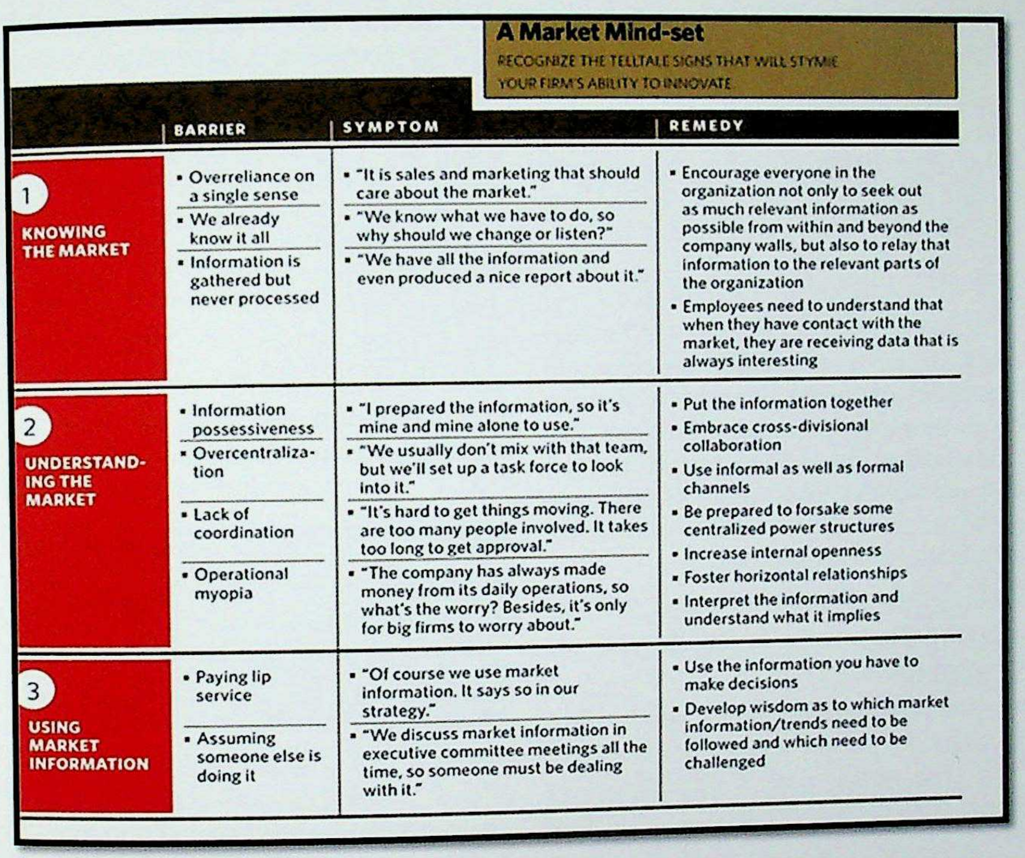
a long way in building the right skills and mindsets.

Training should be carried out on the following:

- Building and fostering a culture of innovation
- Innovation techniques and practices
- Innovation management process
- Mindset needed to grow innovation
- Eliminating barriers to innovation
- Industry visits to study best practices

Step 12: Institute Awards, Rewards and Recognition

Awards, rewards and recognition at various levels of the organisation need to be institutionalised to ensure that employees support the innovation agenda. Awards can be given at a



A Market Mind-set

RECOGNIZE THE TELLTALE SIGNS THAT WILL STYMIE YOUR FIRM'S ABILITY TO INNOVATE

	BARRIER	SYMPTOM	REMEDY
1 KNOWING THE MARKET	▪ Overreliance on a single sense ▪ We already know it all ▪ Information is gathered but never processed	▪ "It is sales and marketing that should care about the market." ▪ "We know what we have to do, so why should we change or listen?" ▪ "We have all the information and even produced a nice report about it."	▪ Encourage everyone in the organization not only to seek out as much relevant information as possible from within and beyond the company walls, but also to relay that information to the relevant parts of the organization ▪ Employees need to understand that when they have contact with the market, they are receiving data that is always interesting
2 UNDERSTANDING THE MARKET	▪ Information possessiveness ▪ Overcentralization ▪ Lack of coordination ▪ Operational myopia	▪ "I prepared the information, so it's mine and mine alone to use." ▪ "We usually don't mix with that team, but we'll set up a task force to look into it." ▪ "It's hard to get things moving. There are too many people involved. It takes too long to get approval." ▪ "The company has always made money from its daily operations, so what's the worry? Besides, it's only for big firms to worry about."	▪ Put the information together ▪ Embrace cross-divisional collaboration ▪ Use informal as well as formal channels ▪ Be prepared to forsake some centralized power structures ▪ Increase internal openness ▪ Foster horizontal relationships ▪ Interpret the information and understand what it implies
3 USING MARKET INFORMATION	▪ Paying lip service ▪ Assuming someone else is doing it	▪ "Of course we use market information. It says so in our strategy." ▪ "We discuss market information in executive committee meetings all the time, so someone must be dealing with it."	▪ Use the information you have to make decisions ▪ Develop wisdom as to which market information/trends need to be followed and which need to be challenged

Table 7: Barriers to Innovation

Source: IESE Insight (2013)

departmental level, organisational level or group level.

Some of the award categories can be:

- Radical innovation – innovation that have created a new market/segment and increases revenue by 20 %
- Cost saving innovation – process innovations that have reduced costs by 15%
- Business benefit innovation – innovations that have increased profits by 30%

Step 13: Build a governance mechanism

The organisation must have a robust governance mechanism to sustain the innovation initiative. The practice of innovation if managed well creates a unique culture in the organisation, and if not managed well can lead to immense cynicism and can be self-defeating.

A governance mechanism must be instituted to ensure that the right parameters are monitored and the process works the way it is intended to. Disruption in the process should be dealt with for the health of the overall organisation.

Some of the elements of the governance mechanism can be:

- Involving the board in the process
- Monitor innovation health of the organisation through regular dipstick studies

- Strengthen the innovation management office
- Benchmark innovation metrics externally
- Monitor business units defined metrics and take action in case of discrepancies

Step 14: Institutionalize innovation across the organisation

The final step is to let innovation percolate the entire organisation and reach every single employee so that it becomes a part of the culture. Innovation is protected and fostered in the organisation and employees who do not adhere to the norms are automatically churned out.

Some of the ways in which organisations can institutionalise a sustainable culture of innovation are:

- Rewards and recognition for the right people
- Disciplinary action against those individuals and departments which choke the innovation pipeline
- Include innovation metric in the KRA of every employee
- Create a centralised, decentralised and virtual innovation management office
- Rotate people through the innovation management office to build a stronger culture of innovation
- Knowledge management systems, continuous training and certification programmes on innovation
- Taking innovation to the next level in the organisation by taking on more challenging targets.

The case of Wendt India Ltd.

Wendt India was set up in Hosur, Bangalore in 1983 by S.C. Khatau and Wendt Gmbh of Germany. The object was to set up a manufacturing facility to manufacture Super Abrasives. The focus was on manufacturing grinding wheels and tools by importing technical know-how and raw materials from Germany.

Today Wendt India Ltd. is a leading manufacturer of Super Abrasive grinding wheels (Diamond and Cubic Boron Nitride), special purpose grinding machines and tools and offers functionally superior products and services for grinding and machining 'hard-to-process materials'.

Wendt India Ltd. decided to embark on the 'innovation journey' in 2013, when it found that there was a perceptible slowdown post 2007. Given that the tooling business is recognised as a technology solution provider, it plays a key role in driving industrialisation. So, it is imperative to be competitive in this industry, and that would translate to being proactive about institutionalising innovation as an organisational culture.

Wendt India Ltd., acknowledged this imperative and embarked on the journey of building an innovative organisation which started with a set of workshops which emphasised the point that innovation is not a flash of light that comes to a few but is in fact a systematic and structured process to derive desired results. Among the key objectives of the workshop were: leveraging opportunities for innovation in the function/workplace; creating and nurturing the required environment to foster creativity and innovation; applying innovation in problem solving and seeking new solutions/opportunities; and drawing on multiple and diverse resources (individuals/ disciplines/ body of knowledge) for ideas and inspiration.

Project – Chatur

One of the projects that stemmed out of the workshop on innovation at Wendt was the project on Chatur. Project Chatur predominantly involved Vacuum Brazing

Process, which would chemically fuse diamond grains on a steel surface. This process was developed in collaboration with a Swiss University. It offered aggressive cutting exposed grains and was ideal to work on concrete, refractory, ferrites, composites, glass and ceramics. This was a new technology in Diamond Tooling manufacturing and was successfully adopted for production only by a few companies like Abrasive Technologies, USA. Wendt India recognized the huge potential in this field and wanted to develop in-house production to address this market potential.

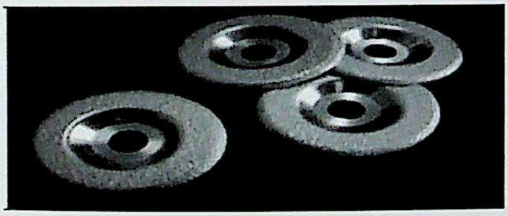


Figure 2: Chatur-Diamond disc to grind and hack concrete

A cross-functional team at Wendt India Ltd., zeroed in on the idea of developing a product that will be a multi-purpose diamond disc. The process of ideation involved all members of the cross functional team generating independent product ideas. This was then followed by idea pooling. The pool of ideas was then evaluated on a common matrix and scored. Ten ideas were shortlisted and one of the ideas was selected, which was an equivalent of DC wheels in Diamond that can work on a variety of material.

The second phase was to get a market estimate taking into consideration all possible application areas. Going over potential areas for application of the new technology and blending it with the technological expertise at Wendt India Ltd., a concept product called *Chatur* was developed. Field trials of Chatur, a diamond disc were conducted on steel, wood, concrete, fibre-glass and stone. The results showed that Chatur was most suitable for concrete.

Wendt India decided to target the construction industry and conduct field trials. The trials consisted of going to various construction sites to enable end users to use the product who were then expected to provide feedback on the usability, convenience and performance of the product. The product was a great success and was re-positioned as 'Diamond disc for grinding and hacking of concrete'. Initial trials were conducted in Bengaluru at the construction sites of Simplex and Brigade Metropolis.

Culture of innovation at Wendt India Ltd.

The introduction of Chatur, was a good first step for Wendt India Ltd., on its journey to building an innovative organisation. The company made efforts to build in systematic processes build a culture of innovation and innovative thinking. Some of the dedicated steps to building a culture of innovation in the company included;

1. Introducing Wendt Innovative Idea Scheme: the innovative idea scheme would accept ideas aimed at growth of the company and would enable all employees to participate in the innovation process.

2. Clear instructions were communicated to all employees who wished to contribute ideas. These instructions included the level of specificity of the idea shared, and the weekly clearance and review mechanism of the accumulated pool of ideas.

3. Ideas collected were typically categorised using the matrix below as shown in **Table 8**.

4. Further, the evaluation committee comprising two technical experts would

Idea Category	Characteristic	Action
Innovative Idea	Ideas are specific, actionable, and realistic and potentially lead to a quantum improvement.	Forward to Evaluation Committee (See below)
Suggestion/Kaizen/ SGA/CFT	Ideas are specific, actionable, and realistic and would lead to an improvement.	Forward to TQM coordinator and the concerned Department Head
Generic Idea (Not accepted)	Ideas are not specific and require elaboration	Clarify with the idea generator.

Table 8: Idea Categorization matrix

review the viability of the idea and then put it through to the chairperson of the evaluation committee, who would seek inputs from the rest of the innovation committee members on profitability and marketability of the potential project, to make an informed decision, about rolling out the project.

5. Typically, the evaluation committee would share results of the idea to the idea generator within 4 weeks of receiving the idea.

6. Once, accepted the idea is presented in a formal setting by the idea generator to the committee and is vetted for consistency.

Wendt India Ltd., showed maturity in articulating a clear objective, policy and goal for institutionalising innovation in the organisation, so as to drive the innovation agenda from the top across the organisation.

The objective: Facilitate a systematic innovation process at Wendt by nurturing a congenial environment that fosters innovation and ensures transparent governance.

The policy: Promote an organisational climate that ensures employee skills, provides incentives and removes obstacles enabling us to convert our ideas and knowledge into new and improved products, services and processes.

The Goal: To have sales from new and innovative products in excess of 30 % of the total sales for the year.

The chart on next page describes the structure followed by Wendt India Ltd., in building an innovative organisation.

In conclusion, while Wendt India Ltd., has taken good first steps to building a culture of innovation, it has to sustain this momentum. This can only be done by consistent, structured communication on the importance of innovation to stay ahead. Rewarding and recognising those who are contributing enthusiastically should not be overlooked. Closely monitoring and evaluating the contribution of sales coming from new products and monitoring products and processes in the pipeline for innovation should be the top priority in the organisation.

A consistent effort on these steps will foster a healthy culture of innovation.

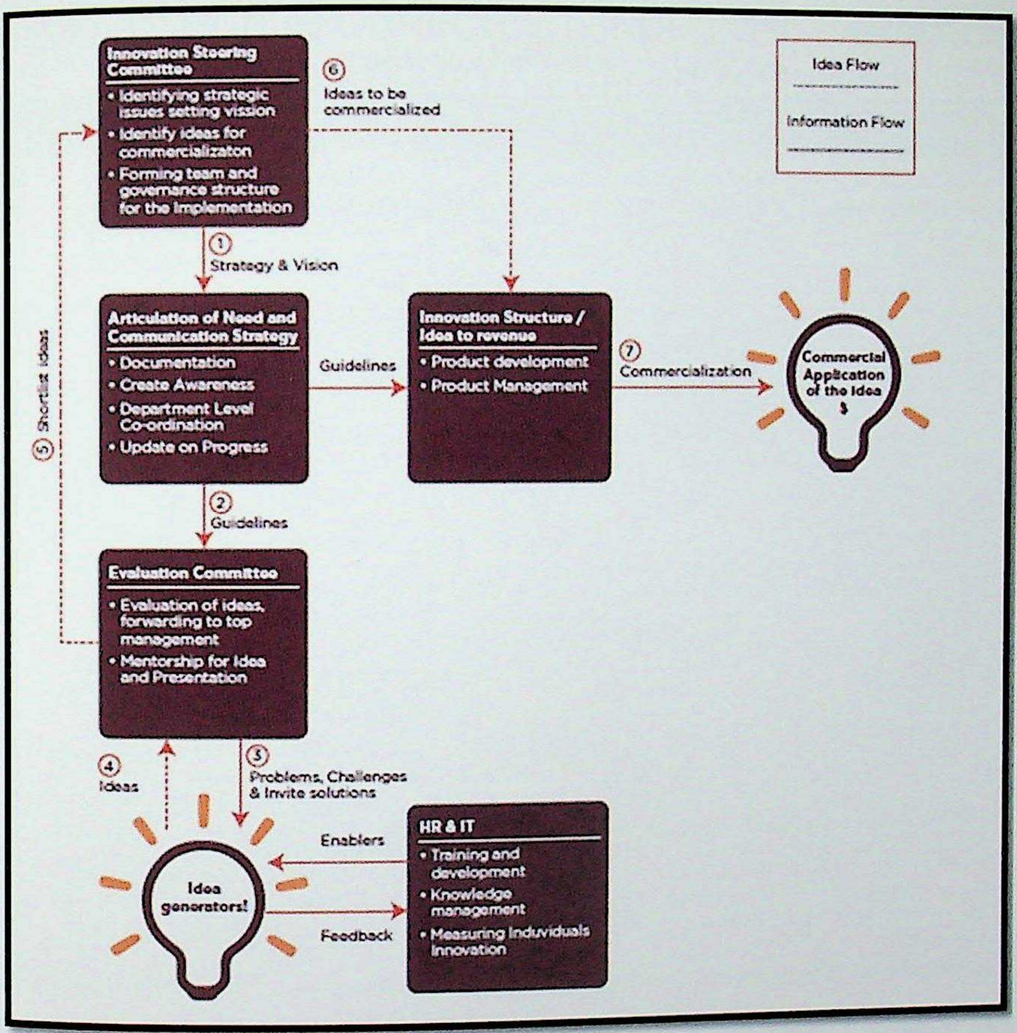

Innovation Steering Committee
• Identifying strategic issues setting vission
• Identify ideas for commercializaton
• Forming team and governance structure for the implementation
⑥ Ideas to be commercialized
Idea Flow
Information Flow
① Strategy & Vision
Articulation of Need and Communication Strategy
• Documentation
• Create Awareness
• Department Level Co-ordination
• Update on Progress
Guidelines
Innovation Structure / Idea to revenue
• Product development
• Product Management
⑦ Commercialization
Commercial Application of the Idea $
⑤ Shortlist ideas
② Guidelines
Evaluation Committee
• Evaluation of ideas, forwarding to top management
• Mentorship for Idea and Presentation
④ Ideas
⑤ Problems, Challenges & Invite solutions
Idea generators!
Enablers
Feedback
HR & IT
• Training and development
• Knowledge management
• Measuring Induviduals Innovation

Figure 3: The structure for driving innovation at Wendt India Ltd.

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Appendices

Appendix 1: Metrics for Idea Generation and Conversion

Process stage	Description	Example
Stage 1: Strategize and identify strategic issues	Business unit heads meet and identify the critical challenges that the business is facing	Challenges can be raw material costs increasing, global competitors with superior products entering the market, rapid commoditizing and pressure on prices ...
Stage 2: Invite suggestions	These challenges are posted on the idea board and suggestions invited for innovation projects	People with thoughts on countering these problems will be encouraged to post their ideas
Stage 3: Capture ideas	Individuals will post their ideas on the idea board	Raw material challenge – 25 ideas Global competition challenge – 15 ideas Pricing challenge – 40 ideas
Stage 4: Review and voting	The suggested options will be reviewed by expert committee and voted upon by peer groups to get the right thought to take forward	Screening and voting to seek the most innovative idea Raw material challenge – Voting – 5 ideas; screening – 5 ideas Global competition challenge – Voting – 3 ideas; screening – 2 ideas Pricing challenge – Voting – 12 ideas; screening – 8 ideas
Stage 5: Selected ideas proceed to conversion	The successful ideas are taken to the next step	Successful ideas get to the IMO for further processing

Metrics for Idea Generation

Stage	Responsibility	Metrics
Screening and initial funding	Innovation management office (IMO) and project team	Number of ideas that pass through the screening Size of innovation fund at business unit level and corporate level Number of ideas that get initial funding approval for prototyping

Metrics for Conversion- Selection

Stage	Responsibility	Metrics
Movement from idea to first results	Project team	Time in which prototype was developed Business value generated

INNOVATION IN CORPORATE INDIA: THE PARADOX OF DIRE NEED AND INADEQUATE SUPPLY; AND THE WAY FORWARD

PEEYUSH GUPTA and D V R SESHADRI

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He has co-authored three books: '*Innovation Management*,' with Prof. Shlomo Maital, Sage India in 2007; '*Global Risk / Global Opportunity*,' with Prof. Shlomo Maital, by Sage India, in June 2010; and Indian adaptation of '*Business Market Management (B2B): Understanding, Creating and Delivering Value*,' with James Anderson, James Narus and Das Narayandas, Pearson Publishing, in June 2010.

1.0 Introduction

The CEO of every large company in India talks about the need for innovation for his organisation to stay vibrant, profitable and grow. There are several levels of innovation: process innovation, product/ service innovation, business model innovation and management innovation. Typically, frontline employees focus on process innovation, product / service innovation, and sometimes on business model innovation. In contrast, business model innovation and management innovation fall squarely in the realm of top/senior management. Innovation (originating from frontline employees) and intrapreneurship (i.e., employees taking on entrepreneurial roles) are two sides of the same coin; one cannot exist without the other.

Despite the dire need for widespread innovation from the rank and file that CEOs of large Indian companies yearn for (for example, Mr. A.M. Naik, Chairman of Larsen & Toubro: "Managers maintain value; leaders add value; and entrepreneurs multiply value."), barring a few notable exceptions, genuine innovation is fairly uncommon. This is a paradox! In most organisations, employee engagement is significantly below desirable levels. Based on surveys we have conducted of many managers in large corporates, the percentage of cumulative potential of employees that is actually positively harnessed and deployed to propel the organisation forward is less than 30%, which is dismal enough to set the alarm bells ringing for top managers as well as leaders of the Human Resource function. The balance 70% is untapped, wasted, drained or misdirected. Such a disengaged workforce manifests an 'employee mindset,' translating loosely into 'two punch and one lunch,' doing enough to get by and keep the boss happy, a behaviour that is not conducive for innovation. In this article, we present four pervasive myths relating to innovation, and then seek to decode the paradox: while companies need widespread innovation, why is it that it is so rare in Indian corporates? We then present a model that large Indian corporates can use to propel their innovation engine into high gear.

2.0 Myths pertaining to innovation

Myth # 1: Indians (in India) are not very innovative. The logic behind this belief is that the upbringing and schooling (including rote learning and discouraging risk taking) of children in India, is antithetical to creating an inquiring mind that is vital for innovation. Paradoxically, those who push this belief are quick to admit that the same Indians, working in advanced countries are phenomenal in innovation, of which examples abound.

Reality # 1: There are stellar examples of great innovators in India emerging from the same ecosystem: Late Dr. A.P.J. Abdul Kalam (innovation in missile technology), the Coimbatore-based Muruganantham Arunachalam (innovation in low cost sanitary napkins), C.K. Ranganathan (of CavinKare fame, who innovated in the FMCG space), Dr. Devi Shetty (innovation in health care), Dr. Govindappa Venkataswamy (innovation in eye care) and many more. Moreover, we believe that just to live and survive in India, one has to be innovative (such as for getting school admission for our children, or even a movie ticket for a popular movie on the date of its release!) Much of this goes by the name 'jugaad,' a much clichéd term on how Indians innovate.

At an organisational level, our ability to innovate in highly resource-constrained situations has been much lauded: the Mars Orbiter. Construction of Mumbai

International Airport by Larsen and Toubro; Aurolab that manufactures intraocular lenses for ophthalmic surgeries at a fraction of global costs, and many more. This approach, called 'frugal engineering' is being emulated by the advanced countries, such as General Electric's low cost ECG equipment.'Indians are not innovative' is thus a mere myth!

Myth # 2: The more formally educated we are, the less risk taking, the more security conscious, and less innovative we become. Mr. Steve Jobs, Mr. Dhirubhai Ambani, Mr. Chenraj Jain (Bangalore-based innovator in the education space) are some of the examples that are presented to bolster this view. All of them had little or no college education. If one buys into this argument, it is easy to conclude that formal education a deterrent to innovation.

Reality # 2: Examples abound of well-educated professionals becoming great innovators. Founders of Flipkart, Redbus, Tutorvista, Air Deccan, Sun Pharma, and many more are role models. It is a myth that people with formal education cannot innovate. Many corporates in India, manned by well-educated professionals, have created great innovations: Tata Motors (Nano), Tata Steel (process and service innovation), Mahindra & Mahindra (Scorpio), and Larsen & Toubro (Project Management) are great examples. Similar examples can be found in the not-for profit space.

Myth # 3: It is not possible to innovate in large organisations, and startups would beat large corporates any day on innovation.

Reality # 3: Tanishq, the jewelry division of Titan Industries is a role model of how widespread innovation turned around the fortunes of the company from an 'also ran' to a global leader in branded jewelry, simply through the power of innovation. Examples cited about also suggest that it is possible for large companies to innovate.

3.0 The Innovation landscape

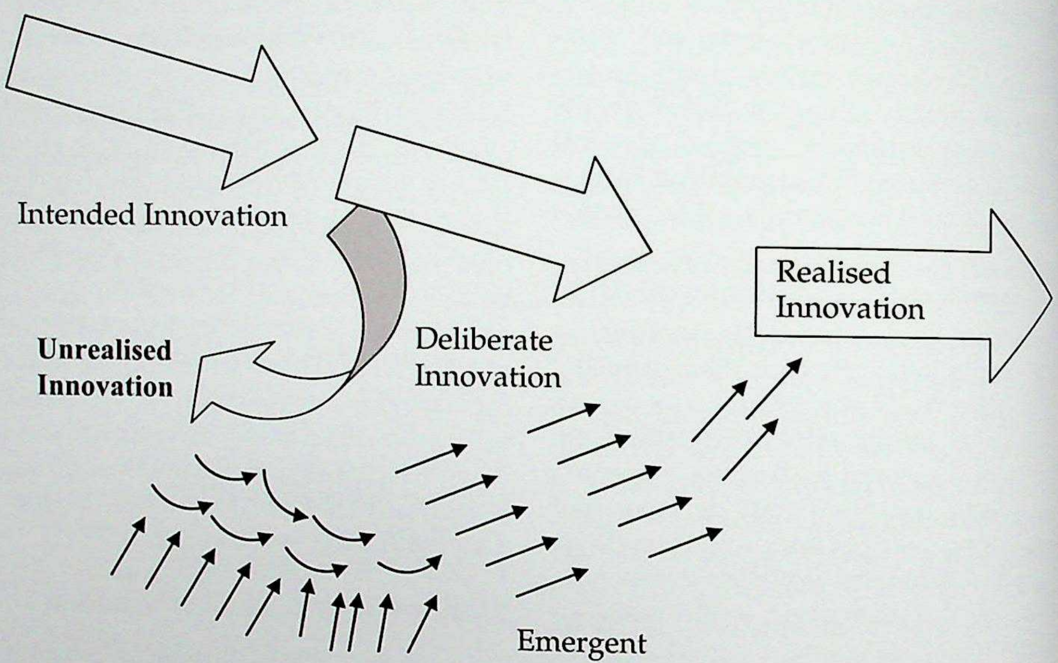
The innovation landscape is indeed expansive. Innovation can be on product, service, process, or on business model. It can be radical or incremental. It can be sustaining or disruptive. Increasingly it has been recognised that organisations must be ambidextrous, i.e., balance the tension between exploitation and exploration. Much of these aspects are well-understood by managers in companies. We will now turn our attention to look at two broad ways in which corporates in India can innovate: bottom-up (emergent) innovation and top-down (intended innovation).

3.1 Intended vs. emergent innovation

Just as strategy is both intended (originating from top management) and emergent (evolves by a series of initiatives from the rank and file of the organisation), innovation too can be intended and emergent. Part of the intended innovation is 'unrealised' and fails to materialise for a variety of reasons such as lack of support, changed organisational realities, changed environment, etc.; the part that goes forward towards implementation is what we call 'deliberate' innovation. The realised innovation in the organisation is thus a summation of the deliberate innovation and emergent innovation as shown in the following figure.

Indian corporates thus have two broad trajectories to foster innovation. The first is when an individual employee or a team of employees perceive an opportunity or experience a problem relating to the organisation, they take ownership of the situation and manifest innovative behaviour. An example would be the top management of Tanishq, the Jewelry division of Titan Industries, who created

Figure: Deliberate and Emergent Innovation



a culture where hundreds of employees felt motivated and empowered to unleash their intrapreneurial / innovation energies to capitalize on opportunities or address problems facing the organisation, which resulted in its spectacular turnaround.

The implicit expectation in the case of emergent innovation is that every employee can potentially innovate, which is ensured by robust processes and systems to facilitate this bottom-up innovation However examples such as Tanishq are relatively rare in corporate India, perhaps attributable to the culture of the overall ecosystem in which organisations in India operate, and the overall paternalistic ethos that prevails in the society, which percolates into the working of corporate India as well.

The second and more common approach in corporate India is where the top management comes up with a couple of key strategic initiatives, identifies the best people in the organisation who can drive the initiative (these are usually the very high potential managers) and provides them with nurturing support to ensure success. Innovation teams are built around these high potential mangers, by drafting other high performers on to these teams. Organisational resources are available on tap (but with strong built-in accountability) to ensure smooth roll out of the innovation. There is also considerable regular and intense top management oversight of such initiatives. We term such innovation as 'Intended Innovation.'

It is important to realise that both emergent innovation and intended innovation are valuable in large companies, and both have their place to galvanise the innovation engine of the organisation.

4.0 Innovation in large corporates: Some key success factors

Vijay Govindarajan (Vijay Govindarajan, "The Other Side of Innovation", Harvard Business School Publishing, 2011) has discussed about the need for synergistic collaboration between the innovation engine (which is about exploration) of an organisation and the performance engine (which is about exploration, and generates on-going revenues, profits and cash flows). It is vital to explore all avenues to innovate expansively, including products, services, solutions and beyond. Another crucial factor is the ability to take the innovation generated by the small team and scale it up into a proper business and integrate it into the working of the large company. While it is an arduous transitional step, it is imperative if the innovation has to take root in the large company.

5.0 Leadership is the key differentiator to create an innovative organisation

The key ingredient for fostering innovation in large organisations is leadership and the consequent organisational culture that the leadership creates. As Raghu Krishnamurthy, the Global Head of Learning and Development in General Electric has aptly commented in a recent YouTube talk, "Talent, despite opinions to the contrary, is actually abundant not scarce. Intelligence is increasingly a commodity. Leadership therefore is the key differentiator."

5.1 Role of leaders to foster innovation

The leader's ability to create a culture of innovation is closely linked with his ability to get people to perform at their peak potential and enable them to see that their potential is actually a continually expanding envelope. The hallmark of such a leader is the enlightened manner in which he relates with people (Richard Daft, *The Executive and the Elephant*, Jossy Bass, 2010). Does he signal strongly to let everyone know that mistakes are alright as long as people are open and honest? Does the leader operate primarily from the small, self-oriented frame (the 'I-It' frame, where all people are mere resources to achieve the leader's ambition, which kills innovation), or the 'other-oriented' frame (the 'I-Thou' frame, where people are genuinely respected and revered, which fosters innovation)? To foster innovation, it is critical that the leader adopts a coaching style. A coaching style results in the leader getting his people to think and expand their horizons. The art of asking the right questions and deeply listening to the responses with utmost genuineness is a fundamental quality for a leader who seeks to create an innovative culture in the organisation.

6.0 Intended innovation revisited

Intended innovation is far more common than Emergent Innovation in India. In this model, a major challenge is identified by the top management. The contours of the strategic initiative to address this challenge are also sketched out by the top management. A high potential manager (or team of such managers) is identified to drive this initiative. Organisational resources are made available. Under top management oversight, the initiative, that entails significant innovation by the team members, is rolled out, usually against stringent timelines. Often such initiatives result in radical performance transformation of the organisation through the power of innovation. However, rather than democratising innovation as in the case of emergent innovation, in the case of intended innovation, the innovation is far more directed (by the top management) and is done by a clearly identified subset of people in the organisation, headed by a designated leader (often a high potential manager), who deliver on the promise. After success in this initiative, the key people involved are given significant career jumps to take on more challenging leadership roles in the organisation. Such an approach helps in creating a leadership pipeline for the organisation. In case of failure of the initiative despite best efforts, the key people go back to their regular roles in the organisation.

6.1 Why some intended innovation attempts fail?

Many companies embark on knee-jerk responses to crisis that they face from time to time. Such responses include: overhead cost reduction, new product launches, etc. Sadly, only 30% of the thousands of such initiatives cumulatively launched by companies each year succeed, since they focus on "quick-fix" programs that deal almost exclusively with financial/operating improvement or are focused on nebulous attempts to change the culture without hardwiring the change to address performance imperatives. In most of these cases, after some short-term quick wins, the organisation returns to "business as usual" after some seeming improvements. The improvements erode over a period of time. Distrust and skepticism develop gradually, as people become cynical about these failed attempts.

In such failed attempts at intended innovation, the right answers come from the top. A small group of average performers are freed up for the implementation. A large portfolio of projects is taken up for simultaneous implementation. The top management drives improvements through project teams and result in one-time performance improvements. The top management delivers the hard changes.

6.2 Key success factors for intended innovation

By contrast, cases where intended innovation succeeds involve top management taking a holistic approach that fundamentally changes the way the company works. They excite and align the right leadership team around high aspiration. A large number of high performers are committed to lead the change full-time. The improvements are driven through line managers. Mechanisms to institutionalise the resulting innovation are set up. Here the capabilities, mindsets and behaviours of key people involved in the innovation initiative are matched with hard changes. It results in new and innovative ways of doing business. The case study of Tata Steel, described in the following section, provides additional details relating to the Key Success Factors necessary for intended innovation.

7.0 Case study: Tata Steel

We examine the process by which innovation initiatives are rolled out in Tata Steel. Much of the innovation in the company falls in the category of what we have called, 'Intended Innovation.' Such innovation has resulted in the fundamental transformation of the company, and has taken the company to successive new peaks in terms of performance. Over the last several decades, the company has embarked on several dozen such initiatives, all of which share several common characteristics. Examples of such transformation include the drastic improvement of the company's performance through the 'Total Operations Performance' initiative, the 'Customer Value Management' initiative to greatly enhance performance of the company in its business markets, the 'Retail Value Management' initiative to significantly improve the company's performance in retail markets, 'Theory of Constraints' initiative to enhance efficacy of its supply chains, 'Reinventing Project Management' that resulted in creating global benchmarks in project management time and again, and many more. What are the common features of all these transformational journeys, which are replete with innovation? What lessons can we learn from them? The following explores these issues in detail.

7.1 Right mind-set is necessary to survive the complexity of transformation programs that involve innovation

- Transformation programs last for years: In Tata Steel, each major transformation process lasts for three years or more.
- Transformation programs are intrusive and stressful. They require personal and organisational change and result in major operational improvements across the organisation. The improvements stem from innovation, which in turn are the result of generation, sieving and prioritisation of hundreds of ideas to address key challenges.
- Different views are expressed, and the leadership team has to absorb and manage this tension, since the buy-ins are not uniform across various functions and various managers.
- Several course corrections will be necessary, which requires constant rebalancing of resources.
- Frustration is common. All transformation incorporates dozens of innovative ideas that are taken up for implementation. Some ideas will fail. Others move at different speeds. The leadership must visibly demonstrate patience. Impatience on their part can kill innovation. Moreover, the pace must balance need for results with time for reflection and celebration.
- There is no such thing as an "off-the-shelf" answer. Each organisation must craft its own approach.
- Many of the most challenging issues will be the most difficult to measure and track, but this issue of measurement and tracking must nevertheless be addressed.

7.2 The journey of transformation through innovation must be simplified into a few important phases

As shown in Figure – I, at the core, the model to depict transformation through innovation must be simple for all concerned to easily comprehend. There has to be alignment of aspirations of the top managers, and convergence among the top management on what success means. Once this alignment and convergence is achieved, the three key steps in the journey are:

- Architect the transformation, where there is conviction that the organisation has to improve, and there is broad agreement on how it is to be done: **"We BELIEVE that we have to improve and know how to do it."**
- Implement the transformation: This relates to the self-belief,"As **a team, we can deliver a big impact."**
- Sustain the transformation: This relates to institutionalising the transformation so that it sustains over the long haul: **"We can turn the change into a transformation."**

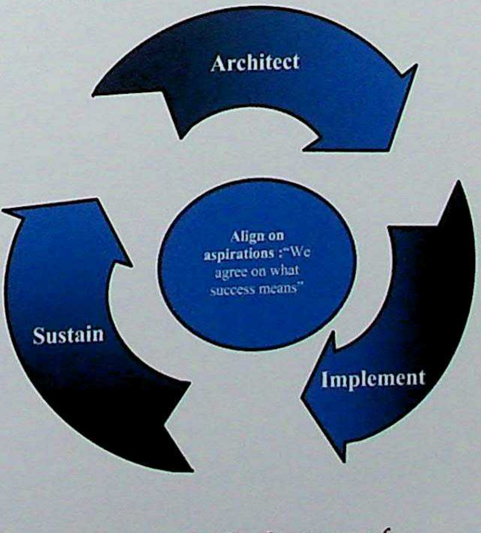


Figure – I: The Journey of Transformation through Innovation

These steps (viz., Align, Architect, Implement and Sustain) are elaborated in Annexure-I. The specifics of the journey of transformation through innovation are detailed in Annexure-II. Finally, the journey involves change in mindsets across the organisation, from the top management to the front line managers. The changes in the mindsets must be designed, measured and tracked. The details of this process are given in Annexure-III. All innovation in Tata Steel over the last two decades can be broadly described by the above-described conceptual model and the resultant well-thought-out steps.

8.0 Conclusions

Having established the crying need for innovation, we presented several myths relating to innovation in large Indian corporates. We concluded that Indians can innovate, formal education is not a barrier to innovation, large companies can innovate and that leadership is a key for innovation in large companies. We presented two modes of innovation in large Indian corporates: 'Emergent Innovation,' and 'Intended Innovation.' For Emergent Innovation to become main-stream, there is crying need for Management Innovation, where the DNA of the organisation undergoes total overhaul. This is neither common nor easy to achieve in the Indian context. What is more likely to succeed given the ethos of Indian corporates and the prevailing overarching mindsets is 'Intended Innovation.' Taking the example of Tata Steel, we presented a conceptual model on how this has been routinely practiced in the company to achieve stellar results over the last two decades, taking the company to ever higher levels of performance. This experience provides valuable lessons for the top management and leadership of the Human Resource function in large Indian corporates to learn from and emulate.

Annexure-I

Transformation through innovation: Key Steps

Alignment:

- ✓ Articulate the **performance vision** that defines success – both soft and hard metrics.
- ✓ Establish **leadership commitment** to the aspiration, where the principal sponsor is the Managing Director or Deputy Managing Director.
- ✓ Develop a **compelling story** that incorporates views of business areas and front-line managers.

Architect:

- ✓ **Understand the challenges** that are inhibiting performance – both operational and organisational.
- ✓ Develop a **blueprint** of improvement program – seek best practice examples (benchmarking).
- ✓ **Plan the approach:** The planning includes: governance, pace, sequence and pilot.
- ✓ **Choose the leader:** The leader should be a high-performing individual at a critical stage of career – where success means huge upside, but freedom from failure on the down side.

Implement:

- ✓ **Capture improvements** across a range of business areas (viz., ideas that address systemic issues, training, customer relationships, value creation, etc.)
- ✓ Develop **tracking methodology** and performance measurement with clear timelines.
- ✓ Think through team composition, rotation of people (to ensure working members are the ones with high energy), and organisational appetite for absorbing rotations so that people believe that they have a bright future once the program is completed.

Sustain:

- ✓ **Renew enthusiasm** by individual recognition, celebration of achievements, special breaks to program members – both holiday and career.
- ✓ Data integrity and objectivity – **embed metrics** in scorecards and KRAs.
- ✓ **Re-assess** aspirations and prioritisation of initiatives to reflect changes, both in the company and externally.

Annexure-II

Journey of transformation through Innovation: The specifics

Align:

- Engage leadership team in a series of dialogues (1-on-1 as well as in groups) to develop performance vision.
- Translate vision into a story for easy communication.

Architect:

- Launch diagnostics to identify the operational and organisational challenges to performance.
- Begin to define the target end-state.
- Appoint some business leaders as "Mentors" and as process check experts.

Implement:

- Identify the program leader and change agents for the initiative.
- Launch a pilot and identify quick wins to build credibility for the program. This involves generating ideas and taking them rapidly to implementation, to validate the broad approach.
- Do frequent syndications to push teams on "unearthing value" through idea generation, innovation and relentless focus on implementation.

Sustain:

- Reflect on the best approach to celebrate success and recognise individual contributions.
- Monthly reviews to check progress and provide visibility, which can be aided by technology.

Annexure-III

Transformation through innovation: Primacy of changing mindsets

Excite and align leaders

- ✓ Top executives independently list the same top three priorities for the company.
- ✓ Key leadership changes made to align power in right areas and signal new era.
- ✓ Pet projects (such as M&A and large CAPEX) cancelled if not in line with top priorities, in order to provide energy, bandwidth, resources and intense focus on the chosen priorities.

New way of doing business

- ✓ All leaders and supervisors provide a clear and consistent description of how the company should look and feel in 5 years.
- ✓ Metrics balanced between long-term improvement and short-term performance.

High performers

- ✓ High-caliber employees proactively ask to join the program team, and their current line managers enable such transitions.
- ✓ 1-2% of the organisation dedicated as full-time change agents.

Drive through the line

- ✓ Line leader compensation tied to program success.
- ✓ Change agents report through the line managers.

Balance changes

- ✓ All front-line employees can describe the main operating drivers for their unit and how their roles impact performance.
- ✓ Executives can name top 10% performers in their units and describe the development plan for each of them.

Re-energise the organisation

- ✓ Individuals talk differently about the business and their own performance compared to the language and lexicon used in the past to do so.
- ✓ Leaders proactively make time to recognise individual/team successes.

WHY DO YOU NEED ME? LEADERSHIP AND ITS LINKAGES TO INNOVATION IN INDIAN ORGANISATIONS

VISHAL GUPTA

Abstract

The present study presents a qualitative study of the leadership that is essential for driving innovation in organisations. Based on a grounded-theoretic investigation of interviews conducted with scientists working in 11 Indian R&D organisations, the study explores the leader behaviours that affect innovation processes at workplace. The results demonstrate that the critical leader behaviours that impact innovation are task-oriented behaviour, relation-oriented behaviour, team-building behaviour, empowering behaviour and leading by example behaviour. The study identifies three process variables through which innovation is brought about in organisations. These are organisations' psychological capital, fairness at workplace and employees' work engagement. Impact of leadership on these process factors is discussed.

Keywords: Creativity; innovation; leadership; psychological capital; organisational justice; work engagement.

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Introduction

The success of an organisation is greatly influenced by the innovative contributions of its workforce (*Dewett*, 2007; *Gupta & Singh*, 2015). Innovations can take years before they are transformed from scientific know-how into the desired outputs (*Baer*, 2012). Instead of timely and market-sensitive measures such as profitability and return on investment, innovative work has a time-lagged, sporadic, and nonmarket nature to its outputs (*Elkins & Keller*, 2003). Due to the ambiguous, unique, and inherently uncertain process of innovation, organisations engaged in innovative pursuits needs to be managed quite differently from other work units where the work is routine. Of all the forces that impinge on an employee's daily experience of the work environment in organisations, one of the most immediate and potent force is likely to be the leaders who direct and evaluate his/her work, facilitate or impede his/her access to resources and information, and in a myriad of other ways touch his/her engagement with tasks and with other people (*Amabile, Schatzel, Moneta, & Kramer*, 2004; *Christian, Garza, & Slaughter*, 2011).

Leaders of innovative organisations are usually selected as much for their technical expertise as for their leadership skills. Although leading innovative individuals requires leaders to possess certain skills in addition to technical expertise, skill in handling interpersonal problems among members of a research and development project group (that is entrusted with the task of developing innovative products or services) is not something for which leaders have been formally trained (*Elkins & Keller*, 2003; *Mumford, Scott, Gaddis, & Strange*, 2002). The apparent differences between the leadership requirements of traditional and empowered environments suggest that traditional measures of leadership may not be applicable to empowered work environments (*Arnold, Arad, Rhoades, & Drasgow*, 2000; *Gupta & Singh*, 2013). Thus, an understanding of the leadership needs of professionals working in innovation-oriented research group is critical in order to help leaders develop effective interventions to nurture targeted leader competencies and to drive desired innovative work behaviours in their subordinates.

In the present article, I document the leader behaviours that affect innovation in organisations. The results presented here are based on a study that was conducted in 11 constituent research and development institutes of the Council for Scientific and Industrial Research, India's largest public-funded civilian research and development organisation. Adopting a grounded theory methodology, the study presents some important ideas to better understand how innovation can be promoted in organisations.

Innovation-Oriented Leader Behaviours

Leadership is likely to be a very potent force that can affect innovation at workplace. While the top leadership is involved in setting direction, HRD policies and goals to be achieved, the supervisors are the "local leaders" who direct and evaluate their work, facilitate or impede their access to resources and information, touch their engagement with tasks and with other people. While there are a lot of ways through which can influence their employees, I found evidence that certain behaviours are expected more often in the context of innovative work. These behaviours are task-oriented behaviours, relation-oriented behaviours, team building, empowering and leading-by-example.

Task-oriented behaviour. Indians are highly status conscious and are dependence prone. They seek assistance, support, suggestions, and attention even in situations where they are capable of functioning on their own (*Sinha*, 2008). Task-oriented behaviour is primarily concerned with accomplishing a task in an efficient manner. This behaviour category includes behaviours like clarifying roles and objectives, monitoring, problem solving, planning and buffering behaviours. Competent leaders use their technical competence to evaluate and select among ideas, walk a tightrope between over-control and too much autonomy, make subtle changes in priorities and sequences, and ensure professional challenge in the work (*McCall*, 1988). A leader who is involved in identification of the work-related problems and in solving them is more likely to enhance his/her subordinate's motivation, self-confidence and enthusiasm. Sanjay Rishi, President, American Express mentions that "it is very important for leaders to engage with talent and let them know when they are doing right and also let them know when they need a little bit of coaching. It plays an important part of the process because even the best performers need coaching" (*Economic Times*, 2013). Stressing the importance of these behaviours, an employee at the Nation Chemical Research Institute in Hyderabad remarked "Supervisors should carefully plan the work that is to be done. People should know and understand what they have to do."

Politics and power play are an integral part of Indian society (*Sinha & Sinha*, 1990). The relationships between bosses and subordinates quite often degenerate into manipulation and ingratiation leading to simmering tensions on both sides that is often quite dangerous for organisations. An effective leader should act as a buffer between senior management and the juniors and should save them from undue political interferences. Task-oriented behaviours, therefore, play a vital role in the Indian context. A research scientist at the Indian Institute of Chemical Biology in Kolkata observed "Supervisors should make each individual understand his/her work and responsibility. There should also be continuous monitoring. Risks should be assessed not only at the last point but at each point. There should be regular reviews to see if there are any problems. Supervisors should work as a group member."

Relation-oriented behaviour. This behaviour is primarily concerned with the well-being of an individual. The category included inspiring, supporting, developing and recognising behaviours. India is collectivist society. Every individual in India is always linked to the rest of social body by a network of diversified ties. Indians find it easier to work in paternalistic relationships (i.e. superior-subordinate roles) rather than with equals. They prefer personalised relationships based on their societal values of deference ('sneh') and affection ('shraddha') (*Sinha & Sinha*, 1990). The role of the superior is to provide guidance and protection to the subordinate, nurturance and care and the role of the subordinate, in return, is to be loyal and deferent to the superior.

"Need for extension" and "need for social achievement" have been observed as important motivators for the Indian workforce (*Mehta*, 1995). Strong organisational missions can help employees find meaning in their work and motivate them by tapping into task significance. Leaders should instill a sense of pride and optimism in their subordinates and should help them understand the importance of the work that they are doing (*Cappelli, Singh, Singh & Useem*, 2010). Such leaders can motivate their junior by developing the proud feeling of doing something useful and contributing to the society's growth. "Inspiring" behaviour is an important behavior that is clubbed within the relation-oriented behaviour. A senior R&D professional in one of the surveyed Central Glass and Ceramic Research Institute in Kolkata remarked, "Charm of working in a scientific organisation is the type of work and results of the work. Result of the work is itself a motivation. Head of the institute, supervisor should be able to convince the employees about the nature of work and the results they are going to get."

Team-building behaviour. Team refers to a work group comprising of individuals having complementary skills, interdependent roles and a common purpose. Converting ideas into products usually requires a team comprising of members having complementary skills to share information and resources, help each other, and work together in close proximity for long periods of time. A team may fail in completing the task assigned to it if there is a lack of trust and cooperation amongst team members. Team-building behavior is an essential behavior that should be shown by the leaders of innovation-oriented teams. It comprises of facilitating the constructive resolution of conflict, and encouraging cooperation, teamwork, and identification with the work unit. Supervisors, by emphasising team work, increase the frequency of interactions between team members (*Mumford et al.*, 2002). Increased interactions lead to greater understanding of the problem and to creative solutions to the problem (*Hoegl, Weinkauf, & Gemuenden*, 2004). Google, the internet search giant, has strict abhorrence towards those who look upon hierarchy as a sign of success, work in silos and are complacent. Rajan Anandan, Managing Director, Google India mentions that, "building teams and hiring the best are the Google ways of doing things. In Google, teams do not need to be told as micromanagement is a disaster in this office." Talking about importance of teams, a scientist of Central Electronic Engineering Research Institute in Pilani observed, "Supervisors should maintain team spirit. They should ensure that the politics is not there in the team. Supervisors should encourage team members, give them their time and ensure that they'll solve their problems."

Empowering behaviour. Although Indians are indeed collectivists, there are strands of thoughts, feelings, and actions in the minds of Indians that reflect the underlying value of individualism. India of today is composed of two parts – one that is traditional and inward-looking characterised by values like collectivism and high power distance and the other that is unconventional and outward-looking characterised by values like individualism, and low power distance (Sinha, 2008). Educational institutes like the Indian Institutes of Technology (IITs) and Indian Institutes of Management (IIMs) have served as the fountainheads of Western values. Increasing ease of access to technology and various forms of media has led to an enhanced exposure of Indians to the ideals and values of Western societies. This has led to the development of a broader world view and the younger, educated employees of today nourish Western values of achievement, advancement and ability utilisation.

Involving others in the decision-making process often leads to better acceptance of those decisions and has a bigger chance of getting them implemented in organisations. Employees involved in innovative work are usually more educated that their counterparts in other departments or organisations and tend to have more evolved thought processes. Such employees generally crave for greater autonomy and responsibility to work on their own. As suggested by Situational theory (*Hersey & Blanchard*, 1969) and Nurturant Task-Participation Theory of Leadership (*Sinha*, 1990), a leader should in such cases inject doses of participation thereby re-establishing mutually supportive relationships and boosting subordinate creativity. "Empowering" behavior is an important behavior that should be developed in leaders managing creative activities in the Indian cultural context. Bobby Kuriakose, Director-HR of Forbes Marshall, India's best manufacturing work place remarks that "We believe that a professional doesn't need supervision and must be in a position to certify the quality of his/her own work" (*Economic Times*, 2013). Jagdish Khattar, the former Managing Director of Maruti Udyog emphasises the importance of empowering: "Throw issues to them, let them examine and come back to you with solutions. I have done it again and again.…85% of their solution would be what you have in mind.…Let them go back with the impression that 100% of the solution is theirs. The implementation would be quick and smooth, and they will feel very proud of it, but it serves your purpose" (*Cappelli et al.*, 2010). The interviews with employees in R&D laboratories also resonated with this idea. A research staff in the Central Cellular and Molecular Biology in Hyderabad mentioned that "There should be freedom to work and think freely. I should not be told every now and then how to do things. I should be given the liberty to decide my work."

Leading by example. Supervisor's technical competence is of great importance if he/she is to command respect from professionals. A leader without technical competence must find ways to do this through others, while establishing his or her expertise in other areas (e.g., management control). Most of the time technical professionals function interdependently either as members of specific project teams or specific technology-based groups. Such professionals accept expertise-based rather than hierarchically-based authority. Superior authority exercised by a non-professional supervisor is resented by scientists, as it violates their professional pride. A professional is likely to feel himself/herself downgraded by the company of a non-professional supervisor and the natural reaction is a disdain for company management (*Badawy*, 2004). Competent supervisors, on the other hand, inspire their subordinates to imitate them and also show them the way of how to be successful at work (*McCall*, 1988). Leaders can set standards of high performance by their own behaviour. Leaders who lead by example in behavior as well as expertise can influence followers to internalise attitudes and beliefs that will subsequently aid in enhancing their creativity. Emphasising the important of leading by example, Rajan Anandan of Google remarked "As a leader if you do not get things done, the team will stop respecting you" (*Economic Times*, 2013). An employee in the surveyed National Geophysical Research Institute at Hyderabad commented, "The supervisors should set an example in front of young people. The young people will automatically learn from seniors. Senior should find time to go to the laboratory and do the experiment himself."Talking about the importance of supervisor integrity, a scientist working at the Indian Institute of Toxicological Research at Lucknow observed, "Transparency is dependent on supervisor. Supervisor should be fair in communicating the ideas and should not claim the ideas as their own. He should encourage juniors without any bias or prejudice."

Table 1 on next page summarises the important leader behaviours identified for innovative work organisations.

Table 1. **Identified Leader Behaviours for R&D Context**

Behaviour	Definition
Task-Oriented	
Clarifying	Assigning tasks, providing directions about how to do the work, and communicating a clear understanding of job responsibilities, task objectives, deadlines, and performance expectations.
Problem Solving	Identifying work-related problems, pointing out problems and giving suggestions to improve, and acting decisively to implement solutions to resolve important problems or crises.
Monitoring	Gathering information about work activities and external conditions affecting the work, checking on the progress and quality of the work, evaluating the performance of individuals through regular meetings.
Buffering	Serving as the main buffer between their teams and the labs, in order to filter down unnecessary administrative duties to protect staff time, while ensuring communication between the lab and the members.
Empowering	
Consulting	Checking with people before making changes that affect them, encouraging suggestions for improvement, inviting participation in decision making, and incorporating the ideas and suggestions of others in decisions.
Empowering	Allowing subordinates to have substantial responsibility and discretion in carrying out work activities, handling problems, and making important decisions.
Relation-Oriented	
Motivating and Inspiring	Using influence techniques that appeal to emotion or logic to generate enthusiasm for the work, commitment to task objectives, and compliance with requests for cooperation, assistance, support, or resources.
Supporting	Acting friendly and considerate, being patient and helpful, showing sympathy and support when someone is upset or anxious, and being like a friend.
Developing	Shows concern for development, helps identify skill deficiencies, does things to facilitate a person's skill acquisition, professional development, and career advancement, and allows access to resources and facilities.

Behaviour	Definition
Recognising	Providing praise and recognition for effective performance, significant achievements, and special contributions, and expressing appreciation for someone's contributions and special efforts.
Informing	Disseminating relevant information to people who need it to do their work, providing written materials and documents, and answering requests for technical information.
Team Building	
Team Building	Facilitating the constructive resolution of conflict, and encouraging cooperation, teamwork, and identification with the work unit.
Leading by Example	
Leading by Example	Sets high standards of behaviours, works hard, and leads by example in terms of punctuality, doing work, meeting deadlines, and optimisation of time.

(*Gupta & Singh*, 2013)

Leadership and the Innovation Process

The leader behaviours identified in the present study have a number of advantages. It provides a framework describing leader behaviours that are important for better innovation performance. It combines the parsimony of a few, broadly defined behaviour categories with the explanatory power of specific component behaviours that can be related to the requirements for a particular situation. Next, I describe some of the ways in which leaders can influence innovation process in organisations. Figure 1 below gives a conceptual framework linking leadership to innovation through the identified process variables.

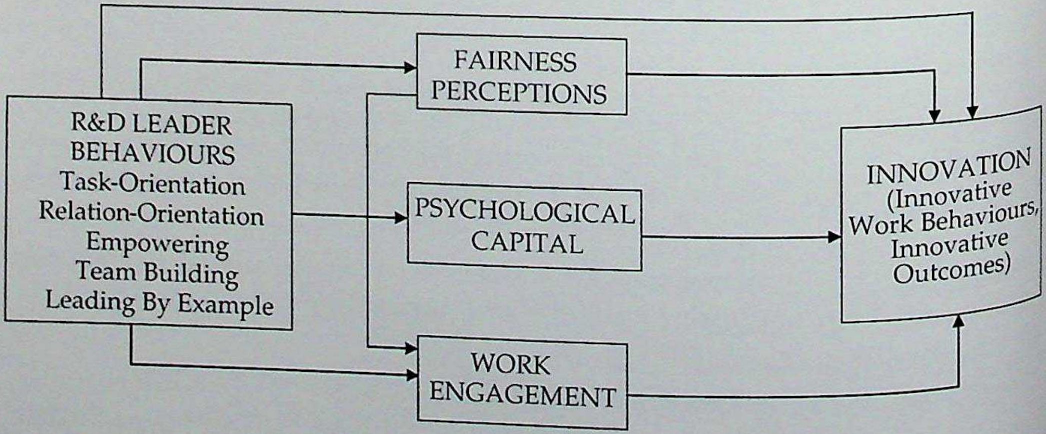
R&D LEADER BEHAVIOURS
Task-Orientation
Relation-Orientation
Empowering
Team Building
Leading By Example
FAIRNESS PERCEPTIONS
PSYCHOLOGICAL CAPITAL
WORK ENGAGEMENT
INNOVATION (Innovative Work Behaviours, Innovative Outcomes)

Figure 1. **Leader Behaviours and Process Mechanisms to Enhance Innovation**

Development of Organisation's Psychological Capital. Psychological capital has been defined as a positive psychological state of development characterised by *confidence (self-efficacy)*, being *optimistic*, having *hope* and *resilience* (*Luthan, Youssef & Avolio*, 2007). Organisations comprising of individuals high on psychological capital are much more likely to engage in working on their ideas and in seeking support for implementing them. For example, an employee in the Indian Institute of Chemical Technology remarked, "Punctuality, confidence, hope and optimisms are the values that are very important in research. One should have continuous internal thrust to complete the task that is assigned to us whatever be the difficulties coming from our personal lives and interactions with others. That is the only way to do better research."

Leaders affect followers' efficacy perceptions through mastery experiences, vicarious learning and positive feedback. Employees who work under expert supervisors are bound to receive greater modelling experience that can enhance their confidence to solve complex problems (*Shalley & Perry-Smith*, 2001). Supervisors can play a vital role in making their subordinates experience repeated success at work. Vicarious learning allows individuals to learn from the successes and mistakes of their leaders and to selectively imitate their successful actions. By observing exemplary behaviours and psychological strengths in leaders and receiving criticism and feedback in a respectful manner, employees may develop greater confidence in their abilities to pursue goals (*Gupta & Singh*, 2014). Participative goal setting enhances the willingness and ability to design hope pathways, that is, alternate ways to achieve one's goals should the current one gets blocked (*Luthans et al.*, 2007). Leaders, by providing autonomy, support and developmental feedback create an environment of self-determination, security and trust that enables followers to focus their energies on goal-related endeavours and on finding different pathways for solving problems and benefiting from opportunities. By providing positive feedback to the subordinates and expressing confidence in their abilities, supervisors can motivate employees to look at the brighter side of things, redirect their perspective away from the negatives and focus on the positives and available opportunities (*Gupta, Singh, Kumar & Bhattacharya*, 2012).

By exhibiting acceptance of failures, supervisors can indicate to the employees that failure is accepted at the workplace and there is no need to be upset about it. Positive feedback, encouragement, creating more meaning and identification in one's work, offering helpful career advice and providing independence at work can help enhance employees' resilience (*Luthans et al.*, 2007). Resilience can also be enhanced by altering the perceived level of risk and generally fostering self-enhancement and development (*Avey, Luthans, & Jensen*, 2009). Leaders can ensure that subordinates have the support they need to (1) recover from adversity and (2) not only withstand but also thrive when faced with high levels of positive change. Overall, employees' psychological capital (a: self-efficacy; b: hope; c: optimism; d: resilience) is a strong intermediating variable that can explain the influence of positive leader behaviours (a: task-oriented; b: relation-oriented; c: team building; d: empowering; e: leading by example) and organisation-level innovation. Innovative organisations take special care to instill the positive psychological values in their employees. At Google, employees are encouraged to think big and not incremental. According to Rajan Anandan, Managing Director, Google India, "We say things should improve 10x times and not by 10%. It is bad to think small in this company" (*Economic Times*, 2013). Stating the importance of leadership in developing psychological capacities of subordinate, Dr.Indranil Manna, ex-Director of Central Glass and Ceramics Research Institute in Kolkata remarked "If leader is optimistic then the junior will also be optimistic. Optimism is electrifying and contagious. Leader should tell his juniors to take risks. He should encourage them… My PhD supervisor was always very positive about his work and never underestimated the value of his work. I did an experiment and reported the result to him. I wasn't very confident about the results. But he said that "I will make a good manuscript out of it". He did create a manuscript and sent it to a good journal. And it got acceptance. Such people instill optimism and faith in individuals."

Fairness perceptions. The organisational justice construct comprises three broad dimensions, namely, distributive justice, procedural justice, and interactional justice (*Colquitt*, 2001). Fairness perceptions emerged as a central construct that influences the creativity-innovation process (*Gupta & Singh*, 2015). Fairness perceptions at workplace are influenced by leader behaviours, and HRD policies. Employees pay a lot of emphasis on all three aspects of justice. A scientist working in the Indian Institute of Petroleum at Dehradun mentioned that "supervisors should provide recognition that is not biased. They should not favor any person." Another researcher working at the same institute remarked "feedback should not just be given the time of appraisal. It is important to give timely and regular feedbacks. Supervisors should give negative feedback to us in person and not openly. In my team, I put names of all employees who participated in our patents. This ensures that everyone is getting the credit and ensures fairness."

The leaders must strengthen employees' instrumentality beliefs by making sure that they have well-defined beliefs about what outcomes to expect for the work they do. Participative behaviour leads to perceptions of procedural fairness (Yukl, 2008). Leaders allowing subordinates voice in decision-making processes and treating them equitably influence perceptions of procedural justice (*van Dijke, de Cremer, Mayer, & van Quaquebeke*, 2012). Perceptions of interactional justice result when leaders treat their subordinates with respect and dignity and do not hide information from them (i.e., maintain open communications) (*Scandura*, 1999). Control strategies that seem akin to punishing behavior negatively predict interactional fairness (*Podsakoff, Bommer, Podsakoff, & MacKenzie*, 2006). Leaders who show respect and support for followers' needs and make efforts to satisfy them. A leader's contingent reward behaviour is also associated with higher distributive, procedural, and interactional fairness. At National Thermal Power Corporation (NTPC), the senior-most managers go to project sites to talk to officers and workers under a single platform. 'Meet the CMD' is another program that allows anyone to apply for a time slot with the chairman and managing director of the company. NIIT has launched in the past few years an initiate where team members vote for the leaders they love. Vijay K. Thadani, CEO, NIIT mentions "Leaders are the ones evaluating people but no one evaluates them and so an initiative like this creates an equilibrium" (*Economic Times*, 2013). Such initiatives play a vital role in creating fairness perceptions at workplace.

Employees who have fairness perceptions are more likely to be engaged in their work. According to social exchange theory, a high-quality relationship encourages employees to engage in extra effort on behalf of their leader, even without the prospect of an immediate and reciprocal "payback" (*Blau*, 1964). Consequently, high levels of fairness encourage employees to reciprocate through engaging in functional behaviours (mobilising support) that is essential in getting support and resource for converting ideas into outputs (*Gupta & Singh*, 2015). Emphasising the importance of fairness perceptions a scientist from the Central Electronics Engineering Research Institute in Pilani remarked, "Fairness is very important. We need to be very careful that assessment is impartial and unbiased. If an unsuitable candidate is given reward then it sends a wrong signal to others. Good people feel demoralised. Everyone then tries to take easy route and do not put the hard work needed to develop products and technologies".

Work Engagement. Engagement at work is directed by three psychological conditions – meaningfulness, safety and availability (*Kahn*, 1990). Psychological meaningfulness is a positive feeling that individuals form from investing their energies at work. Psychological safety is the extent to which individuals trust others around them and feel that they are trusted by others. Psychological availability refers to beliefs that they have the necessary resources (physical, emotional, cognitive) to engage at work. Justice perceptions were found to be a significant predictor of employee engagement at work. The other important factors that were considered to be important for work engagement are leadership and teamwork.

Leaders, by exhibiting suitable behaviours, can impact the psychological states that lead to work engagement. Empowering behaviours cater to meaningfulness and individual contribution (*Deci & Ryan*, 2000). Choice, acknowledgement of ideas and suggestions, and opportunities for self-direction are vital preconditions for enhancing meaningfulness at work and can significantly promote employee engagement at work (*Kahn*, 1990). Leading by example behaviours can influence employees' availability state. Learning can take place vicariously by modeling and self-control processes (*Bandura*, 2001). Individuals are more likely to feel capable of performing a work after a visual demonstration of a successful behaviour or through the transmission of examples of appropriate rules and thought processes (*Shalley & Perry-Smith*, 2001). Perceptions of organisational support develops through employee interactions with organisational agents such as supervisors and team members, and reflects employees' beliefs concerning the extent to which the organisation they work for values their contributions and cares about their well-being. Employees who perceive high organisational support are more likely to have perceptions of safety and thus have lesser reasons to fear incurring damaging consequences for their self-images, statuses, or careers as a result of investing themselves fully into their work roles. Team building behaviour also fulfills the need for relatedness and safety. When employees perceive the presence of a cohesive work group, they feel more attached and related to it and thus more engaged. Illustrating the organisation's emphasis on its people, Anil Khanna, Managing Director of Blue Dart Express, India's largest transportation and distribution company mentions "We have been a people first company right from inception. Our basic philosophy is that happy motivated people deliver excellence in quality" (*Economic Times*, 2013). Summarising the above points in just one sentence, Sanjay Rishi, the President of American Express believe that "no longer it is the title of the position important, it is the content of the work, the opportunities for learning, the flexibility, the fun element and also the realization that it is not just the company's job but it's my job too. So beyond the traditional development planning, we are actually creating platforms where employees can interact with each other outside their areas of work" (*Economic Times*, 2013).

Beyond knowledge and skills, innovativeness requires a certain level of inner force that pushes the employee to persevere in the face of challenges inherent in the creative work. When employee engagement is high, employees are positive about their work and are likely to use their abilities and skills and to engage in activities that can lead to innovative outputs. Employees who are engaged at work are more likely to be physically, cognitively, and emotionally connected with their work roles (*Kahn*, 1990). Engaged employees often experience positive emotions (like joy, calmness, enthusiasm) that are likely to broaden people's thought–action repertoire, implying that they constantly work on their personal resources (*Fredrickson*, 2001). Positive moods promote helping behaviours, initiative taking and positive suggestions that can lead to better innovative performance. A scientist at the National Botanical Research Institute at Lucknow observed that "Scientist should have devotion to work, be engaged in work, thought and responsible. Self-motivation is very important." Another researcher at the Central Drug Research Institute in Lucknow commented "Never think that I work hard but I am not getting anything. You will get 100% return. Hard work pays."

Conclusion

Employee investment along with leadership development is essential for driving innovation. The present article reports a qualitative study that explores the leader behaviours that influence the innovation process in organisations. The identification of leader behaviours can be of immense help to practitioners who often wrestle with the task of identifying appropriate behaviours that can ensure leader effectiveness. Development of training modules around these behaviours should lead to better return on investment for the organisations and will make training programmes more useful for managers and employees alike. The set of behaviours identified can also be used to appraise performance of leaders of professionals engaged in innovation-oriented works. Stitching together leadership and process constructs, the study presents an understanding of how innovation can be better achieved in Indian organisations. A careful review of the results can be helpful for practitioners and policy makers who are interested in understanding the innovation process and the important leadership factors that may positively influence their organisations' innovation potential.

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MANAGING THE HR AND INNOVATION OXYMORON

ELANGO R

About the Author

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Elango is a leader who has successfully bridged the divide between Core Business and traditional support roles. A member of the Executive Council at Mphasis, Elango heads Sales and Delivery of all business lines in HP Channel, and is the Chief Human Resources Officer.

As an additional portfolio, he also manages Emerging Geographies Business Unit & Corporate Social Responsibility at Mphasis. Being a versatile Leader, he has donned multiple hats in the past as the Head of Business Operations, Marketing and Corporate Communications.

Prior to Mphasis, Elango served as Senior Vice President, Human Resources for the offshore unit at Bank of America and has worked in senior positions at organisations like UB Group, The Raheja Group and Quality Inns (India) in the past.

Author of the best seller '*You Don't Need a Godfather*', he is a well-known name in the speaking circuit having participated in forums like PMI, NHRD and NASSCOM, and is a regular columnist for leading business and HR publications. He shares his leadership and management views on his blog www.ElangoR.com and via twitter @agastyasays.

Elango has an Advanced Management Program at INSEAD.

Going by the current perception HR enjoys, 'HR and Innovation' is an oxymoron. Never associated with each other, never will be. HR is seen as a policy maker, the rule enforcer, a shoulder to cry on, a henchman to get hiring and firing done. Innovation? You must be smoking some objectionable stuff – that's the more likely response you will elicit from most quarters.

I, of course, do not endorse this point of view, though I understand why the perception exists. I've experienced this first hand. However, before we jump to that, let's look at the current approach to innovation in organisations.

Gimmicky, episodic, top down, 'follow the 20% Google rule', process level efficiencies, improvements at the shop floor level – some likely baubles you will see floating around as you peel apart a typical corporate presentation on innovation. Heartening as it is that everybody and their uncle wants their organisation to be innovative, very few have even the basics like a rewards framework or a tracking mechanism in place. Any surprise then, that there is a sense of been-there-(yawn)-done-that feeling about innovation?

My uneducated, non-data driven guess is that none of us have a clue of what we want out of innovation and if and when we do, we get too caught in our past and present, thus finding it difficult to break through the stereotypes.

Undeniably, today's business problems are critical and pressing, and they demand quick and decisive action. Yet, some are so complex that they need to be resolved with unconventional and innovative thinking that goes beyond past experience or known facts to imagine a desired future state and how to get there. People, processes and practices have to be re-imagined and re-designed to be intuitive and open to possibility. Not by identifying right or wrong, but by exploring better ways and possibilities to see ambiguity as an advantage.

I have faced this predicament too, and having sponsored many programs in my organisation, we have been successful in evolving a simple frame of reference to nurture innovation in our organisation.

1. 80% of your population will conform and you want them to conform, so don't preach your innovation agenda there

Before you dismiss the idea, take a look at the production floor in a manufacturing unit or a customer facing unit of a service organisation. You want speed, efficiency and repeatability for sure, but you don't want people messing with your standard operating procedures. You want people to follow instructions, follow it really well and follow it every single time. You want predictability, speed and elimination of waste instead of surprises.

Naturally you will hire people who can follow procedures and are willing to do repetitive tasks over a long period of time. You will achieve this by having a good hiring system in place, by filtering for and selecting this attribute, provided they fit other skill criteria required for the job.

Any expectation of innovation in such a scenario is futile. What you can expect is expertise and experience lead efficiencies. If you nurture an ecosystem that enables this, you will reap huge benefits. You will not get your next product or your next big thing here but you will get a lot of efficiencies. I have seen this on a BPO production floor, in large Testing and Maintenance teams and I am sure you will see this everywhere when there are repetitive tasks to be performed. I call this *Incremental Innovation.*

Methodologies like Six Sigma, Kaizen or LEAN can be the catalysts, especially when practiced regularly on the shop floor under the guidance of subject matter experts.

2. Focus on the 5% that bring in disproportionate outcomes

Now, if you agree that a lot of what we really call innovation is mere efficiency, let us get to the core. Innovation, as I see it and as we see it in our organisation, is something that is 'disruptive'. It is something you didn't know, your customers didn't know and a practice that is non-existent today. Game changers and not mere incremental changes. I call this *Disruptive Innovation.*

This type of innovation need not necessarily be products or service lines. It could be new market segments, hitherto untapped needs of customers or a pressing problem that no one is solving. Disruptive Innovation is often triggered by individuals who understand the industry, your customers, your supply chain and what's happening in adjacent markets etc. And here knowing is not good enough, you need folks who can utilise this knowledge to solution future market needs.

They are the ones who are best poised to help you with the disruption.

3. Focus on Leadership

Leaders set the tone. No point in launching a twenty point innovation agenda when your leaders display all behaviours to maintain status quo, protect turf and stay within their hierarchical boxes. I know this is a no-brainer but this is the most difficult hurdle to overcome and most often overlooked as we believe leaders will see the merit and move over. Not true and invariably every innovation program falters at altar of this assumption.

It then rests on leadership and management to paint a picture of the innovation culture in the organisation and clearly articulate their commitment to sustaining this culture. Not stopping at just communication, their litmus test is to manage the duality of disruptive creativity and execution efficiency without losing the winning edge of both.

There are two parts to focusing on leadership

1. How do you re-purpose your current leadership
2. How do you manage new entries to this cadre

By far the toughest is re-purposing. To say it rather crassly, it is very difficult to teach an old dog new tricks. Current set of leaders, especially long tenured, tend to start believing that there is only one way and violently resist any change. This is the truth that HR leaders must acknowledge, and be able to deal with. Does that mean you send the old guard away and get a new set of leaders? That would be, to use another cliché, throwing the baby out with the bath water. And just training is not the solution, it is a combination of recalibrating culture, celebrating new behaviour and setting up incentive and reward systems, both monetary and social, that make this behaviour the new norm. This is worse than wisdom-tooth extraction, and needs an entire 3000 words to even advance some thoughts. It would do well for HR leaders to be aware of this.

Bringing in new leaders is relatively (key is - relative to repurposing) easier. Questions here are, what talent will you infuse from outside, what talent will you nurture? For talent that you infuse, how will you integrate and support for success? This is highly important – a contextualised, high touch new talent integration program, micro managed by HR and Executive Leadership is the secret ingredient to success. I will speak about this later as I share insights of an interesting and successful program we have rolled out in Mphasis.

4. Contextualise the Innovation Template

I heard an entrepreneur complain that he had also given his employees 20% time off, ala Google, but it didn't seem to work and he was planning to roll back the plan. Just like my entrepreneur friend, we all take a fancy to cute stuff we hear and read, and are eager to implement in our organisation. The real world doesn't work that way. What is cake for one, is bread for another! These initiatives are part of a larger jigsaw and you must figure the jigsaw relevant to your business context first, before you jump to implementing 'cute' initiatives.

We know that even within an IT Services organisations, there exist different units and each needs to evolve their own approach to Incremental and Disruptive Innovation.

My two paisa – Disruptive Innovation will rarely happen at the unit level. It must be nurtured at a strategic level with enough inputs from the field, and with ample care to ensure that the present doesn't become the template for an unknown future.

HR's role – The Ally or the Enemy ?

A senior leader from the industry once pointed out to me in jest that HR practices were designed to lock in the past, rather than allow for room to grow. I vigorously denied it on behalf of the entire HR fraternity, but some honest introspection and I had to admit that we are prone to freezing processes and procedures, ensuring consistency and doling out severe penalties for doing something beyond the rule book. And when it comes to hiring, HR is all about finding people that fit the pre-described stencil – same school, same degree, same industry, same background.

Despite this, I see this as great news for HR, which – above all other functions – is perfectly placed to develop and sustain the kind of cultural transformation required for a company to achieve its innovation objectives.

Let's explore five unique levers that HR can turn and tighten to drive Incremental and Disruptive Innovation, thus becoming a key player in the innovation agenda of the organisation and a true strategic partner to the business.

1. Hiring for will and not skill and then only for perspective

   When evaluating a potential hire, it's tempting to bring on board someone with the technical skills to immediately get down to work. That's how most of our hiring systems and processes are designed – to spot pre-determined markers like communication skills, problem solving abilities, service orientation etc., and grab anyone who meets even the baseline requirement. The recruitment framework for hiring 80% of the talent requirement is easier to develop, owing to its predictability and repetitive nature.

   Even here I would urge HR heads to evolve selection criteria rather than elimination criteria. The selection criterion should not be conventional markers like college degrees and academic backgrounds. For instance, in HR, I will not hire anyone who doesn't have a track record beyond academics and rarely do these go together. So we have had to figure out the happy spot. Right hiring of the 80% can save a lot of money, time and loss due to misfits.

   This may be the model for 80% of your population but the ingredients need to change dramatically for the other 5%, unless you are hoping to train and develop some section of the existing 80% into the 5%. This again is a function of time and funds available, and skill gaps that you are hoping to bridge.

   In my experience, the mental make-up of the 5% you are looking at bringing on board needs to be distinctly different and therefore the markers you look for in the hiring process, and probably the hiring process in itself, needs to be very different. Look for winning behaviours rather than skills, assess learning agility rather than past knowledge. These 5% are the ones who defy authority, believe in breaking traditional shackles and more often than not, need to be selected not basis their discipline through school but basis their track record that shows resistance to order and procedures.

Here are some markers that I have found very useful and can be built into your selection process in the form of assessments, development centers, behavioral interviews or even business simulations:

- How were they in school – were they conformists or rebels?
- What do they do in their spare time? These activities give away a lot about what excites them
- What have they done in their past jobs that predicts they will be able to break the stereotypes and invent a future that cannot be visualised
- Subject matter depth (don't rely on questions but look for evidence)

Straight A's, great pedigree and impeccable credentials in my experience have rarely been the recipe for success here. The 5% Hiring Framework can sometimes take upto 90 days with no success, but this is not a process you want to rush through.

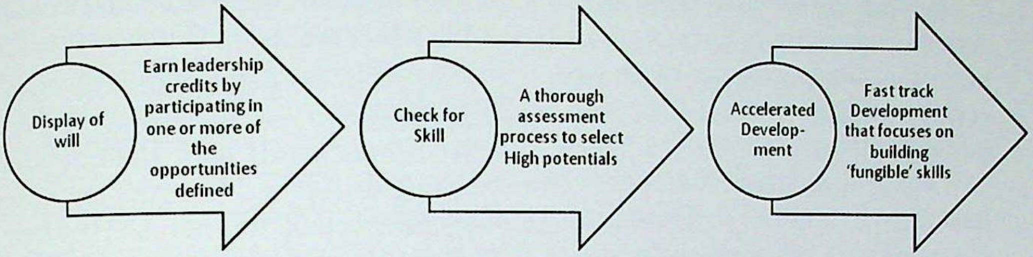
2. Talent development & training the strong willed

The old school of management, which I was a proud member of until recently, celebrates the undisputed ability of a manager to select the right talent. Hence, most Top Talent, High Potential, Critical Talent and Future Leader programs are designed with nomination-based entry criteria. Nothing wrong with this model at all, except that it is self-limiting in today's context of talent scarcity.

The current challenge that we face collectively as an industry is a weak talent pipeline. The world has changed, which has resulted in slow growth, more for less and increased differentiation. Apart from baseline competencies required for a role, there is an overarching need for skills and will to succeed in an environment that requires us to execute against odds. As a result, only a small group will be able to create a unique and dynamic value proposition for their customer, and the rest will limit their role to a transactional one.

The question is, are our Leaders equipped to spot this X factor? Can they nurture it if they see any remnants? Can they develop it from scratch if absent ?I believe they will be able to, provided they have a good tool to spot this behavior, a great training program to pack their team members off to and a brilliant coach who can sharpen the edges.

Another way to address this challenge would be to turn the paradigm on its head. Instead of being nominated as the Top 5% who innovate, allow incumbents of specific roles to self-nominate themselves and then work their way through a maze of experiences that either sharpens their saw or deselects them from the race. Each individual will have equal and fair opportunities made available thus


Display of will
Earn leadership credits by participating in one or more of the opportunities defined
Check for Skill
A thorough assessment process to select High potentials
Accelerated Develop-ment
Fast track Development that focuses on building 'fungible' skills

negating any water cooler talk around nepotism.

Either way, the outcome is a group of individuals who have signed up of their own will, with high levels of proactiveness and learning agility, all of which are attributes worth their weight in gold. These are the folks you would want to invest your time, money and attention on as your return on investment will be ten-fold. The role of HR then is increasing platforms for these individuals to identify and nurture their talent rather than merely rolling out training programs and asking them to sign up by force.

At Mphasis, we have a very robust platform called ILD (Integrated Leadership Development), and we see first-hand the results of such a Darwinian self-selection program. In an environment where professionals have started seeing growth as an entitlement and leaders are moved into roles by chance, this program helped us maintain the sanctity of "will" along with talent and potential while considering an individual as a potential successor or an excellent business leader. The framework introduces the target group to different opportunities of leadership credits which the participants 'earn' over course of time. These opportunities act as checkers for holistic leader development. Participants who earn top credits qualify for the next phase where they are assessed on various parameters to evaluate their 'skill' and survivors of this program become part of the Top Talent Pool at Mphasis. By creating avenues for individuals to determine their own career paths and pursue excellence, we are creating a sweet spot where personal as well as business goals align.

3. Breaking the shackles of the past on assessing and rewarding innovation

Nothing about this new world of Disruptive Innovation is similar to how we've done business in the past, and yet the way we manage people expected to deliver these outcomes, remains the same.

It has long been established that what gets measured, gets delivered. Yet the goals set for our Disruptive Innovators are no different from goals set for People Managers. They get slotted into the same bell curve as the technical expert and need to follow the same promotion guidelines as their counterparts in Finance.

The fundamental difference lies in the success behaviours, which includes exploration of opportunities and the generation of new ideas, implementing change and applying new knowledge.

If this were the foundation, goals and success metrics must be built around related business outcomes and results, and not measures that they don't influence. Their compensation, benefits and rewards too need to drive these behaviours.

You need to create awards, goals and checks that appreciate the intrapreneurial spirit within them. At Mphasis, we have a consultant compensation model, where the incumbent gets a share of the revenue that the organisation earns through his/her innovation and that helps the organisation become a market leader. These awards and compensation models need to be contextualised basis the processes and practices of your organisation, otherwise they can fail miserably.

4. Sustaining that ecosystem – Killing corporate antibodies

Just because innovation is part of the vision and mission of the organisation, we tend to believe that once we've created a functioning engine, it will sustain itself naturally.

The one thing that keeps the momentum going in any context, industry or generation is breaking the silos. From business models to systems, structures and processes, to go-to-market strategies and customer engagement, whenever organisations have put all their might into creating the shift, a shared purpose has evolved. The compelling reason to break these silos could be anything - speedy communication, promote idea-sharing across divisions, saving cost, leveraging expertise. However our structure remains stuck in the past. An open structure that allows leverage, breaks down silos is the core of building a sustainable ecosystem. And HR has a big role in designing this structure.

Corporate antibodies kill new ideas and discourage any behavior that challenges status quo. The question for HR leaders is - does your structure account for this? And how will you help create a structure that prevents these antibodies from eliminating the new way of working?

Like the process of innovation itself, the ecosystem will require constant adjustment and regular introspection. You need to constantly relook at structures to align it to your factory and field processes-the factory from where you command predictability, repetitive tasks and efficiency fed by your 80% group and the field where the 5% of your disruptors work to create agility, flexibility and hyperspecialisation for your organisation.

5. Role of culture

Despite being the last point on this list, here's where it all begins and ends - organisation culture that is conducive to innovation. While innovation may not make it to the top three reasons why someone joins an organisation, it definitely is a primary reason why they stay.

People choose to exercise their creative abilities when they are motivated to do so. A motivating culture recognises that innovation cannot be mandated or even managed – instead it enables creativity to come from within the employee and through collaboration. In my experience, a culture of innovation works best when it focuses on managing the tensions between unrelated and inter-related differences and opposites. In an innovative culture, employees feel assured that their ideas and inputs are valued. They believe that it is safe to express and act on such ideas and to learn from failure. Policies and leaders reinforce this belief system by involving employees in decisions that matter to them. The trick is to understand that an innovation mindset cannot be switched on and off! You can't expect an inherently curious set of minds not to question the fundamental premise of a policy or question the foundation of the organisation's strategy.

This behaviour is all pervasive and it takes an organisation with a heart of steel to sign up for such a culture. HR Leaders have a pivotal role to play in harnessing the collective and individual capabilities. While I have discussed what they can do, what I haven't discussed in this article, but is very critical, is what competencies are required of HR Leaders to facilitate this. I hope you, as an HR leader, take time to figure this out before you embark on your journey.

INNOVATION: A FUSION OF 'PEOPLE'S PROCESS' AND A 'PROCESS FOR PEOPLE'

RAVI ARORA

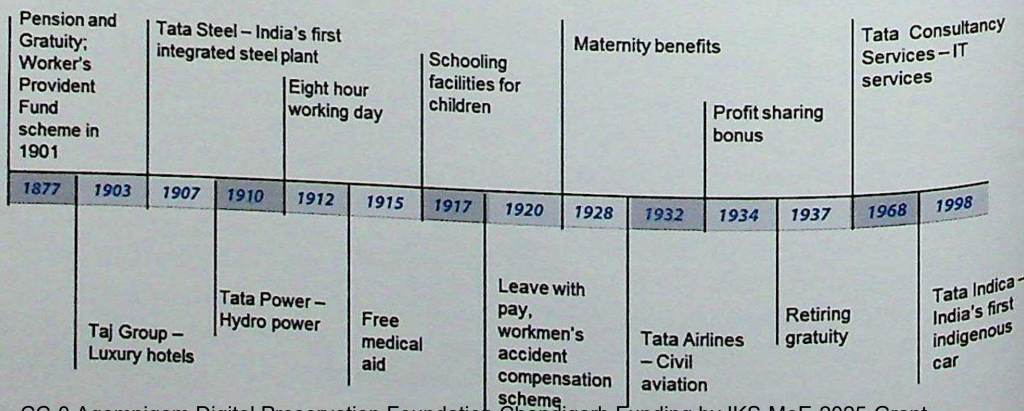
About the Author

Ravi Arora is a Vice President at Tata Sons and is responsible for the Innovation programme at the Tata Group. He is a key member of the Tata Group Innovation Forum (TGIF) and has created well-known programmes like Tata InnoMeter, Tata InnoVista, Tata InnoVerse and Challenges Worth Solving to build a better ecosystem for innovation within the Tata organisations. Some of these programs have been published and shared in international conferences and Business schools. Prior to Tata Sons, he served Tata Steel for 14 years in the areas of Maintenance, Project Management and Knowledge Management. He studied Engineering from IIT-Roorkee and PGPX from XLRI, Jamshedpur. He has recently written (October, 2015) a book on innovation (http://makinginnovationshappen.com/).'

I am writing this article in the capacity of leading the Innovation program at the Tata Group. In the last few years, I have learnt many lessons from the close observations and interactions with Senior leaders and managers of various Tata companies. In this article, the attempt has been made to draw a few specific insights and wherever possible, specific examples have been used to make the point more convincing to the readers.

Since the subject is innovation and the context is of Tata Group, it is important to set a quick context.

We don't realise that innovations of the past are taken for-granted after a few years. How many of us would be surprised if someone offers you a nail cutter or a scissor or a safety pin as an innovative product? The most common reaction would be, "What is innovative in it?" Tata Group has a rich history of innovations. Some of us may not be aware of or may not agree with all the innovations that Tata Group has delivered in the last 100 years. Therefore, in order to appreciate any innovation, it is important to remember the context when the innovation was created.


Pension and Gratuity; Worker's Provident Fund scheme in 1901
Tata Steel – India's first integrated steel plant
Eight hour working day
Schooling facilities for children
Maternity benefits
Profit sharing bonus
Tata Consultancy Services – IT services
1877
1903
1907
1910
1912
1915
1917
1920
1928
1932
1934
1937
1968
1998
Taj Group – Luxury hotels
Tata Power – Hydro power
Free medical aid
Leave with pay, workmen's accident compensation scheme
Tata Airlines – Civil aviation
Retiring gratuity
Tata Indica – India's first indigenous car

The innovation in the early and mid-20th Century in India were around creating new companies. We need to remember that creating a new enterprise was not easy in those days due to several factors like the paucity of capital, infrastructure, automation and human capital. That was also the time when there was a crying need for social development in India. It is in this context that the Tata Group pioneered several business and social innovations (Figure 1), some of which became the international norms several years later.

A few companies created by the Tata Group, were nationalised after independence (eg The New India Assurance, Air India). The Indian economy after independence was insulated from the rest of the world and private investments were quite discouraged. During these days, Tata Group came out with one of the biggest innovations for India: 'IT outsourcing'. TCS introduced to the world a clever concept of breaking down the large chunk of software into reasonable modules,getting them developed in India and then assembling them together and sending them for the clients in the western world. We know that the software industry is now a multi-billion industry in India. Another company that was started in those days with the DNA of innovation was Titan. It introduced Quartz watches at a time when the market was dominated by HMT.

Immediately after the economy opened up in the last decade of 20th Century, there was a threat to all the Indian companies from the global multi-nationals. The product of most Indian companies including those of the Tata companies wouldn't have matched to the quality standards of the global companies. It is in this context that Tata Group introduced another management innovation – 'Tata Business Excellence Model'. The model was introduced in 1995 and was the key force in enabling Tata companies take large strides in institutionalising world class processes and quality standards. After practicing this model for 10 years the then Tata Chairman Ratan Tata, like a true visionary, started exhorting Tata companies to embrace innovation in a manner that was similar to Business Excellence. Clearly the need was to shift the focus of innovation from Tata Sons (creating new companies and industry practices) to Tata companies (Differentiation through business innovations).

The decision of creating a dedicated team to facilitate innovation in Tata companies itself offers a few points to ponder. After a few rounds of discussions, the innovation team was housed alongside business excellence team. The only difference was that the innovation team was asked to keep itself insulated from the business excellence program. It was felt that the 'Business Excellence' and 'Innovation' demand two opposing line of thinking and behaviours. One propagates the importance of strong and robust processes to deliver consistent results while the other thrives on experiments and failures. The reason for this decision was to enable the newly created innovation team to leverage the extensive network that was created between the central business excellence team and the Tata companies. We know how difficult is the deployment of any management practice due to lack of communication and in hindsight one would say that this decision of using existing network to reach out to Tata companies across levels was indeed a master stroke. It is like intravenous therapy which is used for infusing various type of medicines and fluids. The governing body for focusing on innovations was called the TGIF (Tata Group Innovation Forum).

Tata Group Innovation Forum (TGIF):

TGIF comprises of CEOs and CXOs of Tata companies. The idea was to bring together a team of evangelists, believers and a few who were willing to experiment the innovation concepts. The innovation team described earlier, which was housed alongside business excellence, was the execution arm of TGIF.

Capability building was the first item that the innovation team focused on. Learning missions were organized for senior Tata Leaders to interact and learn from some of the leading companies in the US, Japan and Israel.

At the same time, some of the leading gurus were invited regularly to conduct training programs and workshops

Prof Clayton Christensen, Harvard Business School

Prof Julian Birkinshaw, London Business School

Prof Henry Chesbrough of the University of California, Berkeley

Prof Jean-Philippe, IMD

Prof Bill Ouchi, UCLA

Dr James Canton

Mr. Langdon Morris, Founder, Innovation Labs

The learning from these missions and the workshops were quickly converted into internal publications and training programs that were organised by TMTC (Tata Management Training Centre, the training hub of Tata Group) and the innovation team.

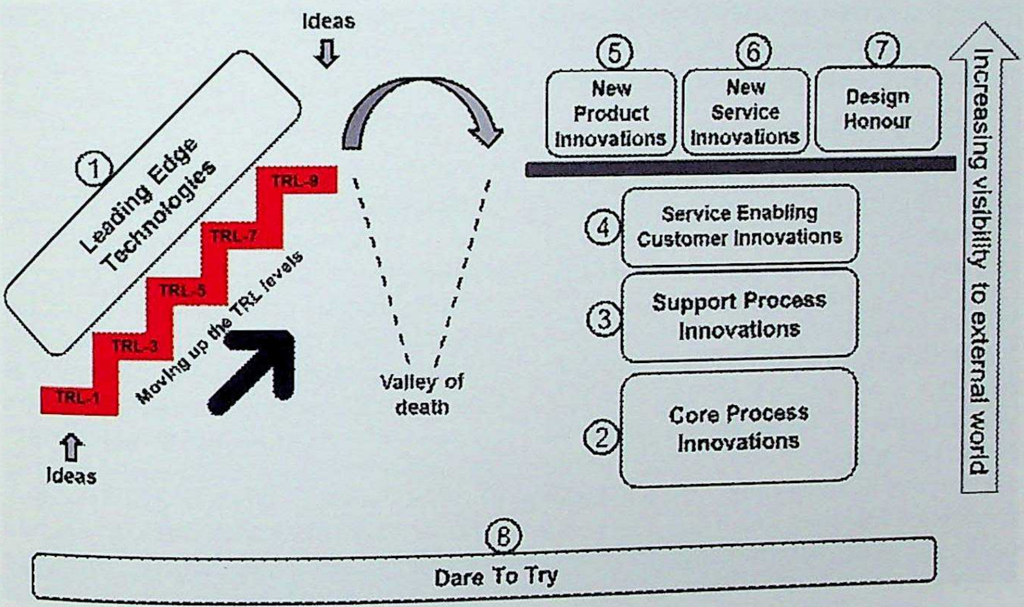
Learnings from the above interactions with Global companies and Gurus triggered a few new interventions which have been created by TGIF to support the ongoing efforts of Tata companies on innovation.

Tata InnoVista

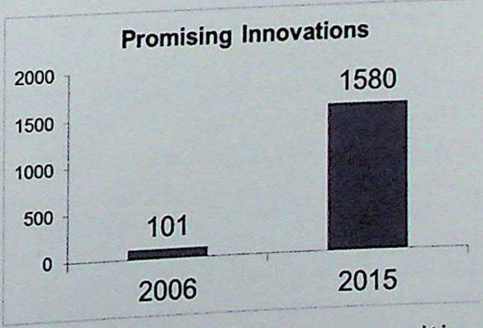
When Tata CXOs visited 3M in Minneapolis in 2006, we learnt that innovators were celebrated like heroes in 3M. We came to know about several awards around technology and innovation and the highest was the Carlton Society that honors topmost innovators. Till date only 160 scientists have been inducted in Carlton Society of 3M. Back home in Tata Group, we even didn't know the innovations of our companies. In one of the quick surveys that we did with around 2000 Tata managers, we found that there was a 'lack of self-confidence to innovate' amongst most Tata managers. The reason for this lack of self-confidence was that none of the companies were identifying the innovative work done by the employees. To address this problem, Tata InnoVista was created. It is perceived by most people as a rewards and recognition program of the Tata Group but for us, it achieves a lot more.

It started with the intent of encouraging and recognising innovators, but we quickly graduated from celebrating the successes to appreciating the struggles of the innovators and then to identifying the harbingers of future innovations. All this has helped us in creating a movement of believers, ideators, supporters and forgiving managers.

In Tata InnoVista, we have created several categories and sub-categories of awards in such a manner that every manager in every function has an equal opportunity to get recognised for his/her innovation. As an example, the sub-category on 'support process innovations' is exclusively for functions like Human Resources, Finance, Accounts, Marketing and a few others. The sub-category 'Enabling innovations of customers' gives opportunity to those who provide those services to customers which results in an innovation for the customer. This helps in increasing customer intimacy and stickiness. Over the past decade, these awards have made significant progress with nearly 30,000 managers from 75 Tata companies spread across 30 countries participating in it.


Ideas
① Leading Edge Technologies
TRL-1
TRL-3
TRL-5
TRL-7
TRL-9
Moving up the TRL levels
Ideas
Valley of death
⑤ New Product Innovations
⑥ New Service Innovations
⑦ Design Honour
④ Service Enabling Customer Innovations
③ Support Process Innovations
② Core Process Innovations
Increasing visibility to external world
⑧ Dare To Try

Tata Innovista helped us build an active vocabulary in Tata Group on the subject of innovation and since it is a recognition program, the deployment of this vocabulary has been fairly fast. Before the Tata Innovista, few Tata companies had stories on innovation to share amongst employees, which as discussed before was the main reason for lack of self-confidence. Now almost every Tata company has inspiring stories not only for their own employees but also for all other stakeholders. By listening &observing the teams from across industries and geographies, managers have themselves learnt that larger and bigger innovations need more diverse people to collaborate within and across the other companies. Honestly, this is a difficult point to drive home.



Tata InnoVista being a recognition program, it attracts managers across levels to participate and share the most recent new work that they have done in the form of innovations. The information gathered through these InnoVista projects is extremely rich as it not only captures the end result but also contains the details of journey in terms of experiments, roadblocks, collaborations etc. This serves as an excellent content development for knowledge management. All the innovations submitted in InnoVista are read and evaluated by more than 300 middle and senior Tata managers. Everyone gets to read the innovations of other companies. The feedback from these managers clearly indicates that they look forward to reading these innovation projects of other companies because it provides them triggers to collaborate, benchmark and improve their own process.

With a NPS score of over 50% and very high percentage of repeat participants, Tata InnoVista has established itself as an inspirational program for all innovators.

When a relatively much smaller company Metahelix won the award in Tata InnoVista 2015, this is what they said "I believe that very few people know about Metahelix. Now we Metahelix will take pride everywhere in Tata group….. it will be an inspiration for them (our teams) to come back and participate in Tata InnoVista next time."

In the last two years, we have seen the InnoVista rub off on companies. Programs similar to InnoVista are spawning within Tata companies, which will further accelerate our innovation movement.

We know about the beauty pageants and I am referring to Miss India and Miss Universe. While such recognitions have created aspirations amongst millions of women, it has also created a big industry which helps grooming people for such recognitions. On the other hand, look at the program called 'India has got talent (IHGT)', which seemingly supports the participants a lot in improving their skills and performances. Tata InnoVista is similar as it helps nurture the innovators in many ways.

Most of the literature on innovation has been written on the 'Push side' of innovation. Generating ideas and pushing them through the stage gate is what I refer to as 'Push' way of driving innovations. Tata InnoVista program is an example where innovations are pulled/attracted because of the attached esteem value of the program. The current attempt is to multiply the effectiveness of this pull by using strategy to identify opportunities for innovation.

InnoMeter

At the beginning of this article, we discussed about the Tata Business Excellence Model. Most Tata companies have been using it consistently to improve all their business and operational processes. To make the explanation simple, consider this model similar to having a General physician as your family doctor. The family doctor keeps you fit at an overall level.

But what happens when one fine day you go for an executive health checkup and find that one of your blood reports is adverse and you are referred to a cardiologist? You tweak your fitness regime by changing your diet and exercise. This not only takes care of your heart but also make you even fitter.

InnoMeter does the same for us. It is a performance evaluation of a team or a company or a business unit on innovativeness. The culture, process and innovation strategy are the three components of this innovativeness. Not only the outcome of InnoMeter but the exercise of conducting InnoMeter itself is enjoyed by the companies. It involves a short survey and several silent discussions with groups of managers. In most cases the outcomes of InnoMeter are not as good as indicated by the Business Excellence measures, which develops a creative tension.

The InnoMeter program has been developed in-house by the innovation team but it has taken inputs from various research of Prof Julian Birkinshaw, KEYS, SOQ, ICQ and Value IQ.

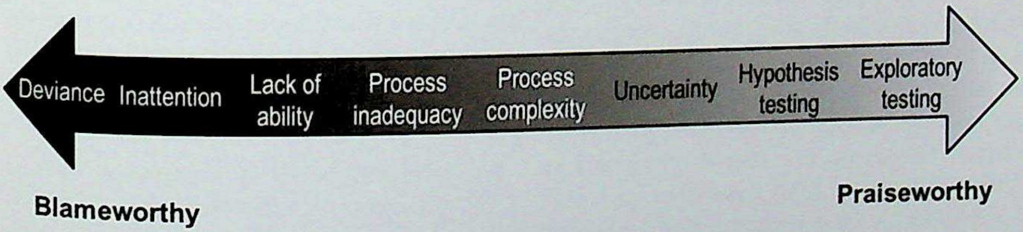
- Once the creative tension is created, companies initiate interventions of largely three types: Building capability on innovation
- Improving the innovation process and culture
- Enhancing the quality and quantity of innovations

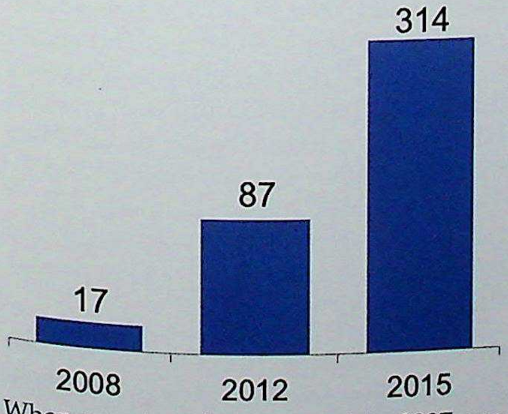
It is here that TGIF supported the companies with a few more interventions:

Dare to Try:

We heard at 3M: 'Its OK to make mistakes. While mistakes are inevitable, if the employee is essentially right, the organisation will gain in the long run.' We all preach that failures are an integral part of the innovation and that failures should be acceptable when someone is trying to innovate. We therefore need managers who are not only highly performance oriented but also forgiving. But how does one make all this happen? In the Tata Group, we created a separate recognition in InnoVista called 'Dare to Try'. This recognition, as per the framework (see below) of Harvard management professor Amy Edmondson, falls in the praiseworthy zone. We consider following four attributes to decide this award:

- How innovative was the attempt?
- What were the risks involved and how much was the effort in resolving them?
- What would have been the impact if the attempt was successful?
- What were the learning?
- What was the organisational reaction to this failure?





When we started this award in 2007, we just received six projects. The reluctance to share failures was evident amongst all companies. Managers are not supposed to fail and if they fail it is either brushed under the carpet or it becomes a black spot in the performance record.

Scott Anthony et al (HBR, December, 2014) calls some projects zombie projects and proposes that every organisation should have an 'amnesty' day when such projects could be offered for closure thereby not spending the resources on projects that have almost no chances of seeing the light of the day. It is like our Government declaring a period when the black money could be brought back to the country. In our case, the intention is to inspire managers to take audacious innovative projects and put in their best efforts amidst a forgiving organisation.

Open, Collaborative & transparent ideation:

During our visit to the innovative companies in the US, we heard the following:

- 3M: 'The worst thing I can do is to tell my people to innovate'
- Commandment of 3M: 'Thou shall not kill a new idea'
- Intel: '"I don't know where to go with my idea". Never let that be heard in your organisation'

The first few InnoMeter studies clearly showed that companies didn't have an ideation system that is agile, transparent, efficient and effective. We also found that ideation process followed in many companies was very siloed.

The concept of 'Open Innovation' is gaining a lot of popularity and many companies are trying to practice it. In simple words, it suggests companies to look for ideas and solutions from people other than your own employees. We learnt this concept from none other than the father of Open Innovation - Prof Henry Chesbrough of UCLA. Immediately after his workshop, the innovation team attempted to carry out some pilots but failed. No one was willing to share the challenges or problems or topics on which ideas from outside could be invited. We were just not ready!

At the same time we realised that there was an opportunity of leveraging a large and diverse group of people in the Tata Group for collaborative ideation. We decided to adopt this subject of Open Innovation in three stages over a period of time:

- Stage 1: Inviting ideas and solutions from within the company across BUs and functions: Break the silos
- Stage 2: Inviting ideas and solutions from other Tata companies and also from well-known non-Tata companies: Learn to share problems externally
- Stage 3: Inviting ideas and solutions from anywhere (The Open Innovation model)

This is when the need of having a common ideation platform across Tata companies was conceptualised. The growing trend of social networking, prediction market and our intention of promoting collaborative network across Tata companies (Stage 1 & 2) were the three inputs on which the platform was designed.

While designing this platform, we used the following hypothesis:

- A large number of people generate ideas when they want to solve a defined problem.
- Some people generate ideas when they see a new (unrelated) technology but
- Only a few people are able to generate ideas that address unstated problems or opportunities (because only a few are able to spot them).

We started with a program called 'Challenges Worth Solving (CWS)'. Under this program, attempt is made to get the attention of Tata managers for a very short time to solve a few wicked problems of our companies. The results so far has been encouraging as it showed that the culture, confidence and openness is increasing amongst the companies. More than 600 challenges have been thrown by Tata companies and interestingly 42% of the ideas received for every challenge have come from companies other than the one that threw the challenge.

All this seems to be simple but it has posed a lot of road blocks; a few with which we are still grappling viz: How wicked should the problem be? How to select the ideas? Should they be difficult or simple? Should they be risky? When to award the ideator? What reward should be given? How detailed should the idea be? How much time should be taken to declare the outcome? How do resolve the IP? How to ensure that the implementation is quick? How do we create the ability to balance the short term demands and long term innovation?

I will end by asking a question: Who should be responsible for Innovation? I think the answer is simple. We all know that everyone is responsible for innovation in the company. But to be more precise: All of us are responsible for the culture and the right process which allows the good ideators, good collaborators and good implementers to come together and find resourceful managers. But we need someone who could think, experiment and build the framework around this. If Strategy, HR and IT are important function and therefore we need Chief Strategy officer, Chief Human Resources officer, and Chief Information officer then if a company is are serious about Innovation, I have no doubt that it should have a person for thinking, strategising, rewarding, encouraging, helping, measuring and celebrating innovations.

HOW TO CREATE A CULTURE THAT DRIVES INNOVATION

RICHARD LOBO

About the Author

Richard Lobo is a Senior Vice President and Head of Human Resources at Infosys. He joined Infosys in 2000 and had led several people management functions in the company. Prior to his current role, he headed Human Resources (HR) for the entire Global Delivery organisation. He has also headed the Employee Relations function at Infosys. As a member of the company's Management Council, he is responsible for several key business initiatives for the company. He is a frequent speaker at global industry forums on people matters. Prior to joining Infosys, he was with Godrej & Boyce, Mumbai in the sales and marketing function.

Richard holds a bachelor's degree in mechanical engineering and a post graduate diploma in management.

It is universally believed that there are innovative companies, and then ordinary ones. While this might appear to be true in the sense of higher name recall and brand awareness, it is also equally true that every single successful company had within the seeds of its success, a culture of innovation.

While the imagination is captured with innovations that have changed the course of the planet, this article focuses on everyday innovation that sustain the enterprise, bring value to clients and above all, improve profitability. One of the toughest challenges business leaders face today is getting their company to think creatively and innovate, while remembering those day-to-day operations that are essential to sustain the enterprise.

Good leaders shape their company to drive innovation. They know that company culture—the core values, the way people are treated and their experience, the freedom to be creative, unfettered workspaces and many other things that make up a company - can simultaneously be a driver and hindrance. This article looks at bringing together some key ingredients together in order create a truly innovative enterprise. Wherever possible I have given examples of our experiences in this area at Infosys. These are by no means the only examples as many other companies would have similar examples. What these serve to illustrate is that any organisation can leverage innovation as a transformational process to bring about a culture change. Through incremental initiatives and a comprehensive reorganisation, it is possible to build a more open, collaborative and results oriented company.

Getting things in perspective

Innovation is about 'what's new' and 'what's next'. It's about that exciting leap forward into uncharted territory as well as renewing what the company was already good at; about what works in an everyday business setting and about doing this better. It's about that daily incremental step forward and the occasional leap to the unknown. Innovation—whether small or incremental, large or disruptive—is about change.

Renewal involves the re-thinking of existing business systems and process by leveraging new technologies, products, platforms or services. It means disturbing the current way of doing things in a fundamental way. 'New' signifies exploring unchartered territory by engaging with and understanding customer needs. It often involves new products, markets and business models.

Any company that seeks to establish itself as an innovative workplace needs to have a flavour of both building blocks to be successful – the new as well as the renew. And wrapped around this duality of new and renew is the shell called company culture. It is this that surrounds strategy and nurtures innovation – just like a shell and the nutrient medium nurtures life within the egg.

At Infosys, the renew and new strategy has been the fundamental axis around which we have re-imagined our core service lines. While on the business front, this brings about competitive advantage through a sharper service line differentiation, an important benefit is it creates deep pockets of expertise that spur innovation. Just to give an example, in any large project, the price of failure and the cost of rectification is going up significantly. Our validation group is investing in automation tools and developing an ecosystem that brings a greater success to reducing such failures at a better cost equation. Similarly, in our Engineering Services group, we are developing knowledge-based engineering automation tools that radically reduce the design development time. The innovation done on the project is allowing clients to do more with less.

Creating a culture of innovation

Some organisations are able to do better than others in fostering a culture of innovation. While practically every company innovates, few are able to do so in a sustained way. Can we learn from their experience? What do they do differently?

Make innovation part of your everyday business: Innovation usually has its origins in ordinary people thinking extraordinarily. And it is important that you don't isolate it from the normal. Our imagination is driven by breakthrough ideas, light bulbs flashing and people going around saying 'eureka'. Yes, that sometimes does happen, but more often than not, it is the ordinary idea that is going to give spectacular results. Companies that have a culture of innovation are able to encourage almost the entire workforce in building innovative solutions. Another advantage of making this a part of everyday business is that leadership gets involved in the early phases of culture-building and is able to provide the necessary backing and thrust nascent projects need for success.

At Infosys, we started an initiative we called 'Zero Distance' (ZD) to spur innovation in each of our existing client projects. We have approximately 23,000 projects and this initiative primarily focusses on unlocking the hidden potential in each of these projects by focusing on quality and cross fertilization of ideas. It uses a custom designed template to structure and measure. Infosys piloted the Zero Distance initiative in a handful of projects at the beginning of the year, and the template was soon rolled out to a 1,000 projects a few weeks later. We have used collaborative platforms like Yammer as well as internal process to sustain this.

Put innovations on a pedestal: When you decide that the new idea has a chance of success and needs to be nurtured, the same needs to be communicated and put on a pedestal. Often, companies wait to see what happens to a new idea before making announcements. This is because they want to limit exposure to failure. The real learning is in the development phase as that's where risks are taken. Leaders should bring up these new ideas in meetings to find out what is happening to them. Do they need executive sponsorship to cross the last few hurdles? Putting the ideas up where people can see them involves the larger company in game-changing areas.

What we learnt early in our journey on the 'Zero Distance' initiative at Infosys was that senior management interest and participation made a big difference. We used the power of technology to have regular CEO reviews where the best performing projects are made to explain their recent innovation in the presence of a larger group and take questions. This has been a great opportunity for project teams to showcase their work and has worked better than any reward mechanism.

Throw the idea into the crowd: The best idea is often the one that catches the imagination of the crowd. Innovation needs to move out of specific areas and benefit from the larger brain pool. Many companies have successfully run innovation through crowd sourcing and open innovation platforms for problem solving. While this is a culture change and meets with resistance, good communication often surmounts the problem. Crowd sourcing is not a panacea for all situations. It is simply has great results in some areas and does not work in others. But it does give good results where there is a highly diffused knowledge base, relatively modular solutions and where you don't have a single view of the solution.

At Infosys, we ran an initiative labelled 'Murmuration' to crowd source ideas from employees. The word Murmuration is used to describe the flight of birds that is synchronised and so well coordinated that it looks like a beautiful canvas. When we ran this initiative across the company, a total of 2,650 ideas were generated by employees, of which 70 were shortlisted and whittled down to 10, through an employee rating system. The rating system was so designed that the biases that usually are associated with authors, departments, seniority,etc. were carefully removed through statistical tools so that only the merit of the idea stood up. The ideas were evaluated on desirability, feasibility, potential, clarity and viability. The top 10 ideas were given the go ahead for implementation with the involvement of experts in each area. The idea originator has been made a key part of the implementation team.

Reward failure: For an innovative company to flourish, failure has to be an option. It is important to understand that the lessons people learn from failure leads to success. Any successful project or innovation is made up of multiple failures to achieve the desired results. Supporting these failures is critical to their ultimate success. Supporting failure does not mean that you constantly encourage underperformance. It means that you recognise it, don't spend time placing blame and penalising everyone, but focus on what was learned from the failure and how to overcome it.

One of our experiences has been that innovators are frustrated by the constraints of large organisations like rating systems, structures, deadlines, etc. At Infosys, we have addressed this by using cross functional teams drawn across levels to work on projects that are either extremely important or breakthrough. The 4 principles we give them at the start are – focus on results, look at breakthrough solutions, collaborate with the rest of the organisation and have fun while working. Once the goal is achieved, we dismantle this team and deploy its members back in the organisation. Often we see people who worked on such teams benefitted tremendously and continue doing well in the subsequent work assignments.

Create spaces where trust and long-term perspective can flourish: Sometimes, organisations need to create spaces where creative teams can gather and work in an environment of trust. With technology like Yammer or similar tools, this is now possible very easily in the virtual space. These groups transcend organisational boundaries and become virtual communities that encourage and drive each other. Innovations need a group of resourceful people collaborating to make them successful.

Another area not frequently explored and which works well is for large companies to acquire very small niche companies and allow them the independence they had before the acquisition. This allows you to create a space where you can overcome the barriers a larger organisation might have for cultural change. The smaller organisation benefits from having the financial muscle and backing of the larger organisation that helps them sustain their work as well as go to market.

Have flexibility within your organisation structure: One of the ways to get people to think creatively is to move them out of their comfort zone. When people are put in a new environment, it makes them see things differently. In an organisation which is not used to frequent movements, this can seem heretical. But the results will often leave you wondering why this was not attempted earlier! An additional point to consider is to hire outsiders -people who, sometimes, aren't even from the industry, but have creative experience, a high learn ability index and can apply their learnings quickly in a new environment.

One idea that we have found useful at Infosys is to create a platform to use the spare time that people have while doing their regular work. By advertising short term interesting projects and asking for self-nominating teams to work on a problem, we have been able to create this flexibility without disrupting the regular organisational structure. It also helps those who are not fully utilised to work on creative areas while they wait for a full time project.

Have an innovation methodology: Innovation efforts usually start by defining problems and tangible solutions expected without giving people the map to arrive at the destination as well as the strong cultural barrier to change. There are different methodologies available and there is no one clear choice. It is best to create your own methodology by adapting the multiple choices available.

At Infosys, we have aggressively used Design Thinking to train our people to gain a deeper understanding of their business and develop innovative responses to their most significant growth and cost challenges. Design Thinking emphasises a more human-centric and empathetic cognitive process that relies on harnessing intuition, inspiration, and emotion to create solutions - all without losing sight of the practical considerations of technological feasibility and business viability. In and of itself, it is not a new paradigm - for years, designers have successfully used this approach to create concepts that effortlessly marry desirability with functionality and profitability. What is new is the effort to extend the concept of Design Thinking into areas and practices beyond the realm of pure design. Today we have trained more than 40,000 of our employees on design thinking and this number is rapidly expanding.

Create a viable system to drive to market: This is needed to take the innovation to market systematically and quickly. Here is the real test where areas like budgeting, planning systems and other complex process run into fledgling innovations. You need a senior group of managers to shepherd innovations across these boundaries into the wide world beyond. Some companies have formal structures to do this and that works better than depending on informal transactions. At some stage, the innovation needs to be launched into the mainstream and start earning revenue and being tested in the market place. Building a vibrant ecosystem from the ground up by investing in, incubating and growing innovative start-up projects will monetize the effort and thought spent into innovation. Quick success matters, and it is even better if the financial numbers support the success.

The leadership challenge

Creating a company with a capacity to innovate starts with the leader. Innovation cuts across just every function. Only a leader can orchestrate and make a complex system sing in tune. The leader must take prime responsibility for the culture change that will make the ordinary extraordinary. This extends to the processes, structures, talent and behaviours that shape how an organisation identifies ideas, distributes resources and translates opportunities into business. Leaders can take explicit steps to foster an innovation culture based on trust among employees. In such a culture, people understand that their ideas are valued, trust that it is safe to express those ideas, and oversee risk collectively, together with their managers. Such an environment can be more effective than monetary incentives in sustaining innovation.

While many senior leaders talk about innovation as a growth engine, few of them directly lead or manage it. Many times their involvement is ad hoc. Unless innovation gets integrates into the company's core process and becomes a part of the leaders strategic score card, it will not move into the mainstream of company culture.

Conclusion

It is not necessary that the organisations loudly try and proclaim that they are innovative. If a company is truly innovative, its results will speak volumes. It is imperative that the company's leadership fosters a culture that encourages creativity, focuses on customer needs and constantly dismantles bureaucracy. The leadership must give people a reason to be enthusiastic, think outside the box and have fun while working.

Every company's culture is inherently different and rightly so. When you're cultivating innovation, you're cultivating a unique system. This means you have to be thoughtful about your approach and have the right intention. Whatever you do, it should align with the values and goals of the company. And in each case, you have to make it easy and rewarding for the people whose roles and dynamics influence the very innovation culture you're trying to cultivate. Value creating innovations attract imitators quickly and create pricing pressures and reduce the value of the innovation. Only a strong culture of constant innovation can keep the value going.

Company culture is difficult to define in a box. It transcends the regular and stands for all that is fuzzy about a workplace and can't be described. But it is there, and is often the decisive edge between success and failure. The best part is that culture can be built, nurtured and when required, changed.

INSIDE INNOVATION INC. – HOW INTUIT DOES IT

SOMNATH BAISHYA

About the Author

Somnath Baishya currently heads up Human Resources for Intuit in India. He partners with Business to drive the True North Goals on Talent in a geography that has been key to the success of Intuit. His foray into HR began when he joined XLRI, after his Bachelors in Technology (Hons.) from IIT. Experiencing organisation journeys during different phases such as start-up, scaling up (across capabilities & geographies) and transformations driven through changes in business strategy, has provided Somnath some of the most diverse and complex challenges and learnings as an HR professional. Prior to Intuit, he has been with Tata Motors, Infosys, Nokia and Adobe.

During his 18+ years in HR, he has been actively engaged with Academia globally to help bright minds learn about and make confident strides into the corporate arena. He has been on various HR and Industry Forums speaking regularly and shaping thoughts. Somnath believes in possibilities. He is energised by the belief that the value and impact HR can create in the ever evolving world of organisations is immense.

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change." This statement possibly captures it all about the essence of innovation – the never ending quest to keep evolving as per the changing ecosystem. The human mind is wired to be restless, revved with curiosity and the ability to think, without being caged. Organisations are entities which are driven by this spirt of the human mind. Learning organisations, thinking organisations, agile organisation – the list of names keep increasing, but deep down portray the urge to innovate and be relevant on a sustained basis. Those that do not, learn the hard way as a whole lot of Fortune 500 companies of the past did – they cease to exist or lose relevance.

Innovation through an 'Open Source Environment'

Thomas Edison is known for his over 1000 patented inventions. However it is a misconception that he achieved these all alone – he had a team of talented workers who assisted him on these. Their combined abilities drove ideas through an innovation process thus turning concepts into today's realities. Innovation is different from Invention. Invention most times is the brainchild of one person but innovation thrives in an 'open source environment' – involving participation across levels. For sustained innovation, it should be coded into the DNA of the organisation. While organisations might have tiger teams focused on research and next gen technology and the adaptation of the same to mainstream business through technology and knowledge transfers, the broader spirit of innovation spreads wider amongst the workforce. Leaders play a critical role in articulating the belief, embedding such intent into the day job and rewarding and recognising achievements. The McKinsey Quarterly (1), 2008 said, "Leading companies for innovation make innovation a formal agenda item at regular leadership meetings. That signals to employees the value management attaches to innovation." The CEO of a fast growing IT services organisation identified that it's growth in the long run could be accelerated or stymied by its ability to drive out of the box thinking amongst its larger workforce. This meant a belief to be created that tomorrow's business was not the privy of the leadership alone, but ownership was embedded deep down and wide across in the workforce. In this organisation the key business problems were thrown open to the workforce and teams representing the 'voice of youth' were allowed to present their thoughts at the Annual Strategy retreat. At Intuit, we have leveraged the power of communities – forums that provide individuals with defined passion to deep dive and have peer level discussions or problem solving on topics of high relevance and impact. These diverse group of individuals have been able to drive various innovations by pooling in their expertise, knowledge and 'boundaryless' leadership. These communities also form our grooming grounds for our nextgen leaders and mature them up to drive solutions for tomorrow's business problems.

Customer-centricity & Innovation

Innovations could be of many types – product innovations, process innovations, technology innovations etc. What is increasingly becoming more relevant is customer centric innovations. The more a company is ahead on customer centric innovation, the longer it takes for competitors to figure out their response. It cements leadership for a sustained period. However, most organisations do not have a readiness on customer centricity. They are either driven by short term financial focus and a low risk appetite. On the other side, high R&D spends does not necessarily mean that things are set right – many times the R&D set-ups are insular and away from evolving customer needs and expectations. Organisation structures which drive product, functional or geographic mindset could also be potential roadblocks. In the new agile way of working, product release and upgrade cycles have significantly shortened to months from the earlier norms of once a year or two years. Sometimes there are internal pressures to ensure that each release comes with multiple new features. What is often missed out is that how much of the features added each time is valued by the customer – are we making things too complex for the customer through over engineering. It is important to get to a scenario where frontline sales, teams sitting on mines of customer data and the development teams are talking and inculcating a holistic understanding of the customer to help innovate with a customer mindset. What matters is the perceived value of the innovation and not the number of innovations per se. At Intuit our mission statement reads 'Change customers lives so profoundly people can't imagine going back to this old way'. Our founder Scott Cook says "Know your customer better than they know themselves." We have internalised the concept of 'Design for Delight' which means evoking positive emotions by going beyond customer expectations in delivering ease and value. While traditional thinking revolves around flawless planning, avoiding failure, rigorous analysis, arm's length customer research and thinking, design for delight operates on thinking such as enlightened trial and error, fail fast, lightweight experiments, deep customer immersions and doing. Intuit has seen multifold increase in innovation catalysts – cross functions experts of D4D working across the company to apply D4D to the everyday to achieve delight. The 3 tenets of D4D are – deep customer empathy (know the customer better than they know themselves); go broad to go narrow (to get one great idea, you have to create lots. The first idea is often not the best one.) and rapid experiments with customers (watching how customers behave is far better than just opinions).

Innovations and disruptions many times come from the periphery and not the core. This realisation is very powerful. Many times organisations focus so deeply on their immediate competitors that they end up copying them or missing the larger horizon where shifts could be happening fast. The fact that an organisation known for its 'search' capability could create a mobile ecosystem and turn the world for the market leaders in the mobile phone arena, was something deemed bordering on the ridiculous. But it became a reality. A team or a group of people may innovate in their own work area or evolve something in a completely new space. Thus the organisation should let minds wander beyond and not bind them to already firmed roadmaps. In fact if something great comes out which the organisation is willing to bet on or invest, it should be nimble enough to reorganise around this focus and not force fit it to an existing structure. A technology organisation had a practice on employees only it's own products. Employees were openly encouraged and such products were gifted as rewards. Also, there was an employee discount program which was hugely attractive. However, when employees tried out competitor products, they were frowned upon – a sort of taboo existed. As part of a leadership transition the new incoming CEO found this to be a limiting and an incestuous practice. Not allowing employees to play around with competitor products shielded them from broadening their thinking. The organisation went ahead and changed its policies and practices to adopt an 'open to competitor products' culture. Product teams found this extremely encouraging. Small things like these build a culture where employees would know that the spirit of innovation is serious and not simply lip service in the organisation.

Innovation Enablers – Culture & Organisation Design

Increasingly organisations are going the 'Cloud' way. A leader in the arena of creative digital media products had a bouquet of individual products which were being developed by product teams across different sites of the organisation. When this organisation decided to transition from the 'software in a box' to the 'cloud' – it brought forth some interesting realities around the ways of working. In the old way, each team went about innovating its own way, each product was in its own silo, shielded from the others. Simple things like the UI design or number of clicks required to reach a certain functionality would be different for each product. However, in the new way the organisation was offering the products as a suite, meaning that the customer was paying for the full set and not for individual offerings. This meant that creating a uniform customer experience through similar functionalities and look and feel was important across products. To realise this the new need was to synchronise the code – so that a customer could register once and have access to the entire suite – rather than registering individually on each product. To the technology teams this was a huge shift in the way they continued to innovate. To start with it meant higher levels of collaboration within the organisation. There was now a uniform top layer for all the media products and teams could evolve each product thereafter. From an organisation side this meant adapting org structures which supported easy communication and connect, redesign of performance metrics and rewards which reinforced collaboration. Teams had the feel of lower empowerment and increasingly more matrixed way of accountability, till they adapted to the new reality. However, with time the organisation was much faster with its innovations, with each team piggy backing on the other.

The culture of the organisation should also help embrace failures associated with innovation investments. This is absolutely critical. Most performance metrics work otherwise – rewarding success and quantifiable results and with short-term focus. Employees need to feel supported. Only then they would risk foraying into uncharted territories. What is important for the organisation is patience and poise and not ruthless focus on demonstrating ROI on time invested innovating. What is also important for the organisation is to embed a culture where employees learn from failures. Then it becomes an evolving journey – where you keep moving ahead. Many organisations practice 'post mortem' meetings to assess what worked or what went wrong – learn from its endeavours. An interesting emerging practice is to do 'pre mortem' meetings to even assess what could go wrong to help channelise thinking across the teams. While these do not limit thinking out of the box, they create a more informed understanding of the realities.

People Practices to catalyse Innovation

Every employee is not wired to innovate. Also, organisations need diversity in its workforce. While innovation mindset means shaking up the status-quo and creating a new version or a new 'new', there is definitely the need to also preserve and hold on 'to avoid unwarranted chaos'. What it means is having people who can keep things together. For an organisation hiring the conformists is easy, the first is where the challenge is – how do you hire for innovation. Some traits which characterise such people are – thinking outside the box, inquisitiveness, openness to new ideas, flexibility to shift if there is a better way. It is extremely important to sense the passion and hunger for more. A lot of candidates with strong profiles and achievements fail here, they start living in their past laurels, without the fire to create another success. It is also important to look for people who have failed and learnt from such failures – they are much more mature and grounded compared to folks who have only seen sustained success. Intuit has embraced a hiring approach called Assessing for Awesome (A4A) which emphasises on 'show', just not 'tell'. Candidates get an opportunity to demonstrate their craft and their ability to think beyond. Apart from introducing themselves to the panel, the candidates have the opportunity to showcase their portfolio highlighting 2-3 achievements they are especially proud of. Post this they have to take an issue relevant to Intuit and also connected to the job that they have applied for and provide a 15 minute presentation on the topic. An example could be – How as a product manager the candidate could increase TurboTax conversions. An important check with innovators is their ability to articulate the value of their innovation and influence the right asks on investments needed for their innovations. Organisations would love to realise every bit of value created through sensible innovation forays. The Assessing for Awesome approach enables assessors to go deep on this. A quick assessment on the impact that Assessing for Awesome has created for the 100 odd hires through this approach reveals that there is a +27% swing where hiring managers feel they have hired a potential rock star!!! Also, regrettable hires have dropped down to a near 0%. Since the panelists come together and assess, the average days to fill has reduced from 63 to 51. Candidates who have experienced this process have been awed by the intensity even if they could not make it to the select list. Many organisations have focused on hiring 'Rainmakers' – senior leaders who make things happen – by opening up new business areas or getting existing clients to spend more money. Rainmakers also cost big so organisations need to ensure that they succeed and their returns are not sub-optimal. Organisations must be flexible to integrate the rainmakers. They also need to be given space to operate. While they can create magic, they could also be seen as mavericks. Beyond their 'selling' abilities, rainmakers should also be able to align the larger innovation mindset in the organisation to catalyse the 'Big Bang'. Intuit has been recognised for its multi-pronged attempts to create a diverse workforce. Intuit India in fact in 2015 moved the needle most on increasing gender diversity at the workplace. Add to this dimensions of PRIDE (sexual preferences), SNAN (Special Needs and Abilities) and NGN (Next Generation Network) – Intuit continues to invest broad. Employees who are differently abled, add additional dimensions to how we respect our clients who have similar needs while using our products and build in such needs to our product design. We truly believe diversity in the workforce stimulates an innovation mindset which is much broader.

Opportunities such as training and getting an outside in perspective by listening to experts are essential to provide a context and build a mindset – but sustained innovation requires active involvement and a passion from within. Innovation stems from thinking and doing beyond listening and watching. At Intuit we provide employees with unstructured time to pull outside the daily chores and to wear the thinking hats. Simply put this is the time to chase dreams. Employees can spend time working on a new product, participating in innovation forums designed to share ideas across the company or outside This ensures focus and limits distractions. It also reinforces the fact that investment and active involvement in such activities is valued and part of work itself. SnapTax which allows customers to file their tax returns on their iPhone in a matter of seconds, was first conceptualized by a small team using their 10% unstructured time. SnapTax has been quite a success with customers. Innovation mindset is not shackled up by hierarchy or longevity in the organisation – everyone has the opportunity to make an impact. Sometimes not burdened by the weight of legacy or constraints is a boon. The opening slide of one such Innovation forum in a leading tech company flashed a stat with was mindboggling – the aggregate of the total number of professional work years of the participants in the room, the total number of patents they had and the number of though papers published – no way to refute the 'inner power' the group could leverage on and learn from.

Creating the right reward architecture is extremely crucial and a lever that promotes the innovation culture in the organisation. This is also where most organisation go wrong, as they fail to demonstrate valuing the innovation intent. Agile organisations are able to calibrate its employees into high performing and critical employees who create immediate value and make the organisation sustainable and high potential employees who are the ones to bet for the future and have the ability keep moving the organisation ahead. They also know ones who are execution oriented and others who have a good ability to think beyond the obvious. Involvement into innovation forays becomes a part of the development agenda and is crafted into individual growth plans. Innovation also opens doors for talent to go beyond their immediate and work with multiple internal stakeholders. The employee gets a strong feel that he/she is being invested on and is adding differential value to the organisation. The attitude to go beyond the day job and contribute to innovation itself merits recognition, not just the result itself. Organisations carefully bundle up financial and non-financial rewards to ensure that the employees are charged. Various forums are created where employees are provided opportunities to showcase their attempts and impacts to peers and leaders many times in the presence of their family and in prestigious external forums. Organisations also realise that such employees need to be retained and use long term levers like equity, deferred bonuses, membership to prestigious forums etc. Increasingly organisations are using social media to showcase such talent and enhance their credibility in the industry and peer group. Apart from rewarding Intuit also believes in the power of recognition. As part of our journey as a premier innovative growth company, the Scott Cook Innovation Award recognises the individuals at Intuit who create innovations that are delivering real benefits to our customers, employees, and shareholders. Winning submissions have all three of the following characteristics: Implemented and in use; Significant quantified benefit for at least one of our key stakeholders: Customers, Employees, Partner and Shareholders and True novelty — new to the world or new to Intuit overcoming significant organisational resistance. Winners receive the following: recognition through a position on the Innovation Wall of Fame, award statue, invite to the Innovation Banquet with Intuit executives, time to work on the next project of their creation and 3-day trip for two, all expenses paid.

Steering Innovation

Large and complex organisations many times struggle to channelise their innovation efforts in a synchronous manner. In an attempt to create a sleeker product, product design teams were able to shed a few millimeters of the mobile handset. However this impacted the battery size resulting in a need for more frequent recharging. This impacted the product's attractiveness in key markets where longer battery life was a key need. To avoid such experiences and to provide a clear mission and framework to the innovation efforts organisations many a times staff up a Chief Innovation Officer. This is a powerful position and counterbalances some of the 'killing instincts' within the organisations. The Chief Innovation Officer is tasked with the responsibilities of sustaining best practices, supporting business units in new products and services initiatives, helping people generate ideas, directing seed funding and designing shelters for promising projects. Intuit has an interesting way of connecting the different product and experience design teams across the globe through an annual forum called CTOF – Create the Offering Forum– a two day journey involving keynote sessions, fireside chats, external speakers and hands-on experiences. Employees get to demonstrate their innovations also through a gallery walk. One of the key standouts of the 2015 event was the focus on Customer Benefit Metrics – a mindset around customer centricity reinforced as we craft further innovations.

Innovation is a creative process and planned investments helps it being better managed. Leadership commitment through articulation, role modelling, budgeting, investing into key positions such as Rainmakers or Chief Innovation Officers clearly ink out the intent. The right people management practices like organisation design, hiring, learning, performance management and rewarding thereafter help embed the right culture that sustains innovation. Innovation is not easy, the most innovative companies build in the uncanny ability to keep innovating again and again.

About Intuit India

Intuit is a leading provider of business and financial management solutions for small and mid-sized businesses in the country. Intuit India, the company's first venture in Asia Pacific, commenced operations in 2005 and currently has more than 1,000 employees across offices in Bangalore, Gurgaon, Mumbai and Jaipur. Intuit stands on the core principles of customer-driven innovation and improving the financial lives of its customers profoundly with product offerings such as Intuit QuickBooks in India. Intuit has been ranked No. 7 Best Companies to Work for in India in 2015, No. 4 in the IT industry and No. 3 in Supporting Women to remain at work category by the Great Place to Work Institute. For more information, please visit http://www.intuit.in/

About Intuit Inc.

Intuit Inc. creates business and financial management solutions that simplify the business of life for small businesses, consumers and accounting professionals. Its flagship products and services include QuickBooks®, Quicken® and TurboTax®, which make it easier to manage small businesses and payroll processing, personal finance, and tax preparation and filing. Mint.com provides a fresh, easy and intelligent way for people to manage their money, while Demandforce® offers marketing and communication tools for small businesses. ProSeries® and Lacerte® are Intuit's leading tax preparation offerings for professional accountants.

Founded in 1983, Intuit had a revenue of $4.5 billion in its fiscal year 2014. The company has approximately 8,000 employees with major offices in the United States, Canada, the United Kingdom, India and other locations.

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SUSTAINING PARTICIPATION IN INNOVATION INITIATIVES IN ORGANISATIONS

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We are at the half-way mark of what the Government of India called the "decade of innovation" (2010-2020) in 2009 [1]. During this half a decade, we saw the buzz around innovation traverse the hype-cycle. We are currently witnessing a start-up boom and perhaps a bubble as well. In the last five years, many organisations in India across various sectors launched or revived their innovation programs. Some, like Cognizant and Titan, have also won prizes for their innovation programs in the international competitions [2,3]. Today, having an innovation program is no longer a differentiator in the Indian industry. What matters more is the effectiveness of such a program. To judge innovation capacity of an organisation objectively, one model the author has used is called a 5-level innovation maturity model [4]. Using this model, an organisation can self-assess its situation on a scale of 1 (Jugaad-level) to 5 (Excellence-level). Currently, majority of the organisations in India fall between level-1 (Jugaad) to level-3 (Engaged) [5]. One parameter where most struggle is in sustaining the participation in these initiatives [6]. When the initiative is launched, there is an enthusiastic participation. However, the initiative loses steam in the second or the third year. What happens? Why doesn't the participation sustain? And, how do we sustain the participation in innovation initiatives? These questions are explored in this paper.

The paper is organized as follows. First we look at what we mean by participation and how it is measured. Next, we present two dimensions of innovation maturity-creative confidence and incubation effectiveness. Using this model, we present the hindrances in sustaining participation in innovation initiatives. Finally, various options that can help sustain the participation are presented.

Measuring participation

Innovation activities in an organisation can be classified into following categories:

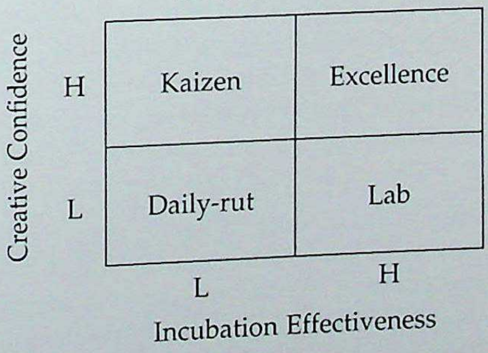
1. **Idea generation/development**: Challenge definition, Idea generation, prototyping, presenting the idea, business model exploration
2. **Reviews**: Reviewing of ideas, commenting on ideas (especially in a social networking site).
3. **Championing**: Sponsoring of campaigns, Investing
4. **Training**: Participating in a training / workshop related to innovation, delivery of training
5. **Innovation management:** Create and maintain a business relevant roadmap of the innovation program, balance innovation portfolio, publish a dashboard, identify champions, run campaigns, develop partnership network etc.

An employee is said to be participating in an innovation initiative if (s)he participates in any of the activities mentioned above. This implies that someone who is reviewing an idea or acting as a sounding board for an idea is also playing an important role in the initiative. Similarly, a senior manager who sponsors an idea campaign based on a key organisational challenge is also playing an important role. Participation is typically measured as a percentage of employees who have participated in any of the activities mentioned above. However, sometimes participation in only the idea generation/development (activity no. 1) is measured. In fact, one of the oldest methods of measuring participation is to check the number of employees (as a percentage) who contribute at least one idea in the year [7]. For the purpose of this paper, we would like to use participation in all the activities. Now we know what we mean by participation and how to measure it. Next let's look at two key dimensions along which innovation activities vary and its implication for participation.

Two dimensions of innovation maturity

Innovation maturity can be analysed through two dimensions: (1) creative confidence and (2) incubation effectiveness. Creative confidence is the ability of an individual to identify and define a problem, iteratively refine the solution as well as the problem and present a solution to various stakeholders to get their buy-in [8]. Incubation effectiveness is the capacity of an organisation to select a few big challenge areas, motivate a few teams to work on those challenges and selectively invest in the promising ideas following a review process [9]. Following simplified 2x2 depicts 4 situations.

2 dimensions of Innovation maturity



Jugaad quadrant represents the situation where innovation is ad-hoc and not measured. An innovation initiative that focuses only on continuous improvement will take the organisation to the Kaizen quadrant. In this quadrant, many employees routinely come up with ideas that solve problems related to their work and implement them. Majority of these ideas would be small in terms of their impact as well as cost of implementation. Moreover, most of them don't involve much risk.

Hence, their rate of implementation can be high. Kaizen participation can be as high as hundred percent[10].

On the other hand, an initiative that focuses only on a few big bets will take the organisation towards the Lab quadrant. Imagine a dedicated research or innovation lab with a few chosen "innovators" working on a few big ideas and the rest of the organisation is busy with business-as-usual. A lab ensures focus on a chosen business or research problem. However, it will always have limited participation by design.

Ultimately, Excellence is the desired quadrant where both creative confidence and incubation effectiveness are high. An organisation is said to be in this quadrant when effectiveness of both continuous improvement and incubation processes is high.

Now that we know the goals of an innovation initiative in terms of measurement and dimension, let's look at why participation doesn't sustain in these initiatives.

Key hindrances in sustaining participation

Big-bets-only approach: Imagine an organisation with a large employee base with low creative confidence. If the management invites only big bet ideas, then chances are high only a few people will participate. Most others will feel, "It's not for me." And, even if participation is generated through a challenge campaign, only a few ideas will be selected for further development. Which organisation can afford to take too many big bets? Hence, chances are high the initial enthusiasm will die down soon as only a few people will get to participate in the innovation activity. When an idea is rejected in the first round, there is no learning. Real learning happens when you get to experiment. Thus, big-bets-only approach is unlikely to result in sustained participation in an organisation with low creative confidence. Note that there are organisations (e.g. Google) where hiring process ensures high creative confidence. In such places, it makes sense to focus primarily on big bets.

Slow response: Imagine you submit an idea in an idea-box or on the idea portal and you get a response after six months that your idea is rejected. Would you ever submit an idea again in this setting? Slow response time is a big de-motivator [11]. It creates an impression that nobody cares about the ideas people are submitting. In reality, it may not be about the intent of the reviewers. For example, it could be the case that remembering yet another login and password of the idea portal may be the primary deterrent. No matter what the cause is slow response time is a sure path to dropping of participation.

Lack of help: Many ideas are in crude form in the beginning. Idea authors need help in clarifying the assumptions behind the idea. Sometimes just listening to the idea author may itself be of great value to him. If such help is not easily available then the chances are high the idea doesn't take a shape that can appeal selectors. Similarly, once a potentially big idea reaches a review stage, help may be needed to create a business case. The help needed could be in defining the product / market, identifying differentiating features, showing return on investment or sometimes it could be about creating a presentation. In short, idea authors need help during the lifecycle of the idea and if that help is not available, it may be a demotivating factor.

Absence of dashboard: Dashboards are common in organisations. There are different dashboards for capturing the progress of delivery schedule, product sale, defect resolution etc. Dashboards communicate in a concise manner how a team is progressing on a certain dimension.

In the absence of such dashboards, it is very difficult for employees to know how things are going. Innovation dashboards are no exception. A simple dashboard depicting no of ideas, no of contributors, no of prototypes, business impact gives a good ideas to everybody on how an organisation is doing on innovation [12]. If such a dashboard is absent, it may create an impression that organisation is not serious about innovation. After all, what matters is measured.

Now we look at ways that would overcome these barriers to participation. First, we will look at ways that will be useful to an initiative no matter which dimension is being focused on. Then we will look at ways that will help sustain participation in the continuous improvement process (focus on small ideas). Finally we will look at ways that will help sustain participation in the incubation process (focusing on big bets).

Core elements of sustaining participation

Program management:

Innovation initiative can be viewed as a sequence of interventions each trying to improve a set of parameters such as idea pipeline, participation, idea velocity, business impact etc. Each intervention has a goal and typically incorporates learnings from the past interventions. An intervention could be a challenge campaign, a training program, an innovation-day event, a concept plan review, a partnership building program etc. Planning and tracking of such interventions is a function by itself and needs dedicated attention. Hence, program management role is crucial for innovation initiatives. Depending on the size of the organisation this could be a full-time or part-time role. However, in most places it is difficult to do as a 10 percent activity. An organisation serious about its innovation program gives attention to this role [18]. One of the key deliverables from program management function is the release of innovation dashboard at regular interval (say monthly or quarterly). It creates transparency and focuses energy on a few selected parameters. One such story of how innovation program gets managed is presented by the then Head of Innovation at Ericsson, Gabriel Broner [22].

One of the key activities innovation program management function needs to do and usually doesn't get attention is identifying and scaling the bright spots.

Spot and scale bright spots:

When participation in an innovation activity is low or declines, one natural question that comes to mind is – Why is participation low? Is there anything we can do better? Answers to these questions may give us useful pointers. However, what get overlooked in this process are the bright spots where things are working perhaps in some corner. An approach that focuses on what is working already as opposed to what is not working is called "Following the bright spots" [19]. Bright spots point to (a) an already existing motivation and (b) an existing situation that enables the right behaviour.

Here is an example of how bright spots approach was applied for "low participation" problem. In a challenge campaign 43 ideas were contributed by 25 employees. That meant participation of less than five percent. However, it still meant a potential of studying the 25 bright spots. That is what a team did. They had one-on-one interviews with each of the idea authors and tried to understand where their motivation came from. Two things stood out (a) immediate manager's encouragement – either in team meetings or during informal talk (b) reminders from the organizers. With these data points, organizers ran an awareness campaign for managers and also became more diligent about their reminders. This helped increase the participation further.

Program management and focus on bright spots are the core elements of an innovation initiative. What if your primary interest is continuous improvement focus? What else can be done? Let's see it in the next section.

Sustaining participation in the continuous improvement process

Following two things would help sustain participation in continuous improvement process and help build creative confidence [13].

Defining an acceptable idea: What is an acceptable idea? This may depend upon the context. For a semi-literate worker of a garment factory, an idea of putting wheels under a waste basket may be an acceptable idea. While for a software engineer in an IT company, putting a microcontroller under a coffee mug which switches the monitor off during the coffee break to save energy may be an acceptable idea. No matter what the definition is, it helps to clearly articulate what an acceptable idea is through various examples. When such clarity doesn't exist, it will impact participation.

Acceptability of an idea in a continuous improvement program would depend upon the identity of the participants (sometimes also called an occupational subculture [23]). The identity of an engineer would be different than that of the garment worker. A definition of an acceptable idea need to satisfy following two criteria:

- Bar is low enough so that majority of the employees may feel confident to try
- Bar is high enough so that majority of the employees would feel proud of the idea

Note that the definition may evolve over the years. As an organisation builds creative confidence, it can raise the bar on what may constitute as an acceptable idea. No matter what the starting point, it helps to define an acceptable idea.

Distributed review mechanism: One reason why response time for idea slows down is because the approval mechanism gets stuck at a few managers. For these managers, reviewing these ideas is usually not a priority. One way to resolve this problem is by pushing the approval as low as possible [14]. For example, first line managers or Subject Matter Experts (SMEs) in the teams can approve ideas which are straight forward and low-cost. In a technology obsessed world, sometimes face-to-face interaction is overlooked. There are ways devised such that the tool can give automatic response or the feedback comes only through email. In some cases, where SME and idea author are not co-located this is understandable. However, a face-to-face feedback is far more impactful in encouraging, probing the idea deeper, clarifying and identifying bottlenecks. Companies like Cognizant have created roles like Catalyst to help idea authors take the idea further [21].

Next, we look at how participation can be sustained in the other dimension of innovation maturity – incubation process.

Sustaining participation in the incubation process

Following two things would help sustain participation in the incubation process.

Championing a challenge: Senior managers who identify and take a position on a tough business challenge play an important role in the incubation process. Popular examples are Ratan Tata for Nano, Mike Markkula for Apple [15] and George Fernandez for Konkan Railway [16]. A champion sometimes sponsors the effort but more often he articulates the challenge and the vision. He supports the team through the ups and downs. People participate and stay with innovation projects when they see long term commitment from such champions.

Rigor & rhythm of review: It is not sufficient to sponsor a big bet project. Progress of such a project needs to be reviewed at regular intervals. There needs to be a rigor to the review. For example, if the project is to demonstrate a Proof-of-Concept (PoC) within certain time, then it should be questioned if the PoC doesn't happen. Similarly, there should be an expectation around timely escalation in case the project is stuck somewhere. An innovation project may not generate revenue and / or profit in a matter of months. However, at every stage there should be milestones towards which the team is working. The review committee should look at various perspectives – technology, market, regulatory, strategic fit, financial etc. A good review should result in unearthing key issues / risks and define steps in validating the leap-of-faith assumptions. A criterion like Real-Win-Worth it serves as a useful starting point for reviewing big bet proposals [17].

Conclusion:

In this paper we looked at the question of how organisations can improve and sustain the participation of employees in innovation initiatives. Through the lens of creative confidence and incubation effectiveness, we looked at the hindrances of sustaining participation. Finally, we looked at ways of improving participation in continuous improvement process and incubation process.

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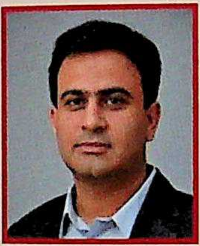
HOW CAN ORGANISATIONS CREATE A CULTURE OF INNOVATION?

AARIF AZIZ

About the Author



Aarif leads Human Resources for GE Healthcare's Sustainable Healthcare Solutions (SHS). SHS is a $1.2bn business for GE and has the responsibility of GE Healthcare in ASEAN, South Asia (India, Bangladesh & Sri Lanka) and Africa, in all 70 countries. Aarif joined GE in May 2000 as HR Manager for GE Industrial Systems, Engineering, India. He has since worked with various GE businesses (Healthcare, Industrial, Power, Corporate, Appliances) both in India and globally in HR leadership roles of increasing responsibility. Prior to his current role, Aarif was the HR Leader for Engineering & Technology for GE in India based at JFWTC. He is also a graduate of HRLP and is Black Belt certified. Aarif completed his post-graduation in HR & Marketing from the Symbiosis Center for Management & HRD and is a Graduate in Electrical Engineering from University of Rajasthan.

Thomas Alva Edison was one of the most prolific inventors of his time. His inventions have made a huge difference to our lives. From phonograph to electric bulb to motion picture camera, the list is really long. He had more than one thousand US patents to his name. Interestingly, he failed 10,000 times before he made a light bulb which worked.

Albert Einstein did not speak until he was 4 years old and did not read until he was 7. His parents thought he was "sub-normal," and one of his teachers described him as "mentally slow, unsociable, and adrift forever in foolish dreams." He was expelled from school and was refused admittance to the Zurich Polytechnic School. He did eventually learn to speak and read. He is one of the most original thinkers we have ever had. His inventions have been unparalleled.

Ramanujan, the famous Indian mathematician made extraordinary contributions to mathematics and compiled almost 3900 results, most of which were proved correct. He did all of this before he died at the young age of 32.

If we look at some of GE's recent innovations like the pocket ECG, super value CT or Lullaby baby warmer, it was cross functional teams working on a shared need which made a difference.

A few, very interesting themes emerge out of these stories of innovation:

- Fail fast to win
- Diversity is important. Not every great innovator fits the same description
- It's not the number of years of experience, but talent that matters
- The team with a shared purpose wins

If these themes are the winning recipe for creating a culture of innovation, the challenge is for us to inculcate them as core values in the organisation. The various HR processes and systems should act as enablers for these.

Talent Acquisition

Most organisations recruit talent based on their past performance and experience. Resume shortlists, interviews and reference checks are commonly used methodologies for hiring people. It's interesting to note how many times we limit our pool of candidates with the number of years of experience as a criterion to shortlist candidates. How open are we to hire individuals with a diverse set of experiences vs candidates from the same industry and similar background? While we may be able to hire a team of people who are perfect at execution, we kill innovation by not hiring diversity and using number of years of experience as a baseline for a role.

So, what should we do? There are many ideas like "what if" scenarios used during interviews - What if you are in this situation,what if this happens? This helps in understanding how the individual would deal with a situation they're not prepared for. Another idea is to have an extended internship which is like a job interview spread over months. However, the one that excites me the most is to have candidates work on a real life problem and solve it as part of the selection process - real data in a real situation. At GE, we have organized many hackathons and have consistently found that the most innovative solutions have actually come out of very young minds, which are yet to colour their thinking with experience.

What kind of talent we should hire? Outliers, mavericks or individuals with special skills? We actually need all kinds of people. There are very few Einsteins in the world- mavericks who think differently and they come up with a brilliant idea rarely, but that brilliant idea can give organisations a significant competitive advantage. Also there are some individuals who work extremely well in teams and build on each other's thoughts to create a market differentiator, which is critical to grow and sustain. It is not just who we hire, but also how we work with them. Each employee is unique and as leaders we should know what will get them going. This is not an era of employees adjusting to a manager's style but a time when managers need to know the unique way which engages the employee. The days of carpet bombing are over.

Learning

Most of the well-established organisations have well-structured training programs which teach us how to strategise, how to negotiate, how to manage teams etc.and the ones who don't have such courses, tie up with various institutions which offer these courses. Interestingly, Knowles advocates self-directed learning as one of the most basic principles of adult learning (andragogy). To strengthen the culture of innovation, our challenge is to enable ubiquitous learning. We should be able to provide opportunities for people to learn and acquire new skills based on their interest and not always link it to the job they are performing. Can we give people time and money to grow and build capability rather than force them to join standard courses? Some of the most effective experiences include sending people on assignments disconnected with their area of work. I recall an experience where a group of senior managers were sent to a remote village to build a health center with very limited resources. To enable success, they were given a coach who was an expert in frugal construction. While the group did complete the task at hand, they came back with a powerful experience of how strong teamwork and iterative way of working can multiply innovation. I don't think any organisation needs a specific training for innovation. It is not a skill which one can acquire in a classroom setting. More than structure, the need is to change the mindset. However, it is extremely important for the organisations to create variety of experiences which help unlearn corporate politics, make people comfortable to share ideas openly and listen to other's ideas with patience. Very recently, I went for a course with a small group of people at an outbound location for a week. The entire program was organized in a very informal setting without a classroom feel. The initial part of the course was focused a lot on self-reflection, understand one's leadership style better by working with the group and engage with the team in a lot of fun activities. In the later part of the course, we focused on the task as a team. We came up with some very creative ideas to handle the problem. Our sponsor was delighted. When we reflected on what worked so well, there were two key differentiators - strong self-awareness and awareness of other team members' strengths, which helped us leverage each other better and the open environment in which we operated. The informality helped us to become comfortable to share thoughts and ideas and build them further. We vowed to replicate the same environment back at workplace. This has been the most powerful learning session I have gone for and interestingly, we did not learn a new theory or a structure but an experience which if sustained, can help unleash innovation in our workplaces.

Performance Management

Most of our current performance management systems are focused on measuring what we delivered or how we met our goals. Failure is seldom regarded. We know that Edison failed thousands of times before he made a successful model of the light bulb, an invention which changed the world. How do we enable people to try and fail fast to create innovative solutions? How do we reward and recognise resilience and ability to learn from mistakes to be able to deliver impactful outcomes in the long run? The key lies in moving towards "Performance Development" where the focus is in enabling success for every employee and not in evaluating them. While it is important to differentiate, we should not become dependent on systems and forget their end objectives. Here are a few key principles we are trying at GE:

- Focus on development. Instead of feedback, we give "insights"
- There is no positive or negative feedback, no strengths or development needs, but "continue to do" and "consider doing" insights
- Move away from annual ritual of "goals discussion", "performance discussion" to regular "touch points" with the manager
- Anyone can give insights, anyone can seek insights

Fundamentally, it is moving to a place where everyone is equal. While different people may be performing roles in different capacities, every voice is important. When employees work in teams focused on "outcomes" and not functional metrics, anyone who is part of the team can share a constructive insight which may help an employee to perform better. It is not just a manager's prerogative. Our effort is to develop a culture where people feel comfortable to do so. The new approach to setting and re-setting of priorities continuously vs setting goals annually facilitates an iterative way of working. The overall objective is to enhance openness and trust, which are fundamental to building a culture of innovation. The endgame is to create a culture where everyone is behaving as a leader and helping others to develop and grow, which is our leadership philosophy - "We all rise together".

Every employee as an *"innovator"*

I had a strong belief for many years. Only a few are innovators and the rest should focus on execution. Infact, for many years, I felt writing "Imagination" as a development need in the self-assessment section of appraisal was a safe thing to do, till I read this amazing story from Richard P Feynmann, a very famous American theoretical physicist. Hedemonstrated the failure of the space shuttle challenger in a very simple, yet effective way. Simple things around us can help find solutions to complex issues. How can we enable this in our organisations so that every employee is encouraged to try simple things which can create something new? We need to remove cumbersome processes and make lives simpler for our employees. While processes are necessary to ensure structure and continuity, not every change needs a workflow and multiple approvals. We need to eliminate processes where a conversation can get the necessary results. The focus should be on results in a compliant and ethical way and processes should help improve efficiency and enhance our outcomes. Workflows should go to individuals who add value in the process. Tools should not need "x" no of approvals just to share the risk. If any step in the process does not add value, it should get eliminated. Imagine the amount of time it will free up for employees to do more value added work or try something or learn something versus following up to get a workflow or process approval.

The other important aspect is recognition. How many times have we recognised a failure which has resulted in us learning something new? Did Edison fail nine thousand ninety nine times or did he learn that a light bulb can't be made by these many ways. It's just a different way of looking at things, but definitely an approach which can encourage people to try new things and learn from the experience than be afraid of failure and not take the risk. We should start celebrating failures and use these as opportunities to learn and share the learning with others. Each one of us should champion an award which recognises "failures".

Leadership Expectations

This is the fundamental and the most important differentiator. Every employee is an innovator and has excellent ideas. Our challenge is to unleash that potential and our leaders hold the key. We need to change from being "reviewers" to "enablers". We should be asking –"How can I help?", "What bottlenecks do you need me to remove?", "How are you feeling today?" and "What do you wish for?" The fundamental role of a manager has to change from being a team leader to a "coach". Building a shared purpose can help not only in strengthening the emotional connect, but also in energising employees to achieve their maximum potential. To be a successful leader in these times, one should learn new skills around coaching, building a shared purpose, how to give people a meaning to what they do and most importantly "how to be an energiser of talent?"

As I reflect on some of these thoughts, I feel that while the world around us is changing really fast and becoming more and more complex, we need to go to basic values - treat people as humans and not robots; trust them to try out new ideas, give them the freedom to learn andmost importantly enable a strong social connection through a common purpose. This is how we can unleash the innovation machine and deliver impact in this highly competitive world.

DEMOCRATISE INNOVATION - FOR SUSTAINED INNOVATION CULTURE

LALGUDI RAMANATHAN NATARAJAN

About the Author

L. R. Natarajan is a multi-faceted executive, with a total of over 35 years of experience, and has worked in a number of industries, spanning from Agricultural, Engineering, Automotive, Consulting, Manufacturing, Retailing of Consumer Goods and Services. He has around 25 years of experience in various capacities within the automobile and agricultural manufacturing industries. During the last ten years with the TITAN COMPANY, he has led the Jewellery Division's integrated supply chain management. His last assignment in Titan, was at the capacity of CEO for the new business division. While at Titan, he was heading the Innovation Council of TITAN COMPANY. He was also a member of the Tata Group Innovation Forum (TGIF).

He is currently teaching in leading IIM's on creativity & Innovation. A week in a month of his time has been contracted by Goldratt Consulting group. He also takes up consulting assignments on Strategy & Innovation from corporate clients.

CONTEX

Titan Industries limited, a joint venture between Tata & TIDCO, started its watch business in 1986 and diversified in to Jewellery business by the year 1995. For the next 8 years the jewellery division was making losses and BRC (Business review committee) of Tata group had raised doubts about Titan continuing the jewellery business. A world renowned consultant was engaged to revisit Jewellery division strategy and the consultant's one of the major recommendation was to SHUT DOWN the manufacturing division employing 500 people.

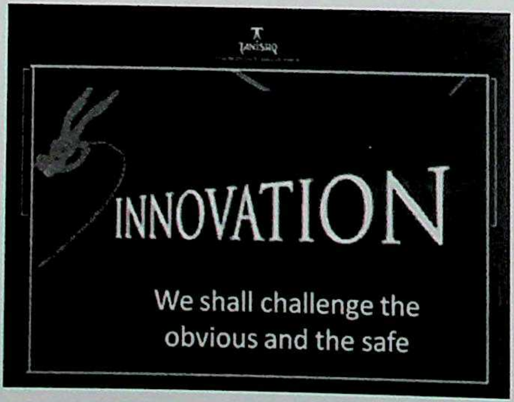
The manufacturing division took a leap of faith in its people and the process of innovation in changing its fate. The turn-around story through innovation by involving all the stake holders are compiled below.

TRIGGERS

The family jewellers were getting their margin (huge) by giving under karatage jewellery to customers. Also the family jewellers had not invested in right manufacturing set up, in getting the purity of their jewellery products, built in to the process. It is to be noted that, the regulatory measures from the Government is in its nascent stage and it is impossible for the customers to know the purity of product they are buying, since even a jewellery made with under karatage will shine.

Under this backdrop, our jewellery products with right karatage were perceived as expensive by the customers, and Titan Jewellery division, with huge manufacturing investment, initially, could not penetrate market dominated by family jewellers and was making losses year on year from 1995 to 2003. Introduction of karat meter (a device to check the karatage of jewellery in a non-destructive way) in 2002 in all our retail show room, and creation of awareness amongst customers, started bringing foot falls to our stores. **But the challenge was to make our business model profitable.**

It is said that necessity is the mother of invention, and this in our context can be re-phrased as necessity is the mother of innovation. What was required for manufacturing to survive (considering its huge investment, as opposed to minimal investment by the market), was not incremental improvement in productivity, but quantum leap in output. With a leap of faith in innovation, and a leap of faith in people, we started our innovation journey in 2003. Very encouraging initial results, created a genuine love for innovation amongst key participants, and then we began to think systematically in designing processes for innovation, creating structure around innovation, themes around innovation, educating people on innovation, involving every employee in innovation, backed with rewards and recognition. Our Co created Value for Innovation, reads as in Figure I in annexure.



Systematic progress (processes) in Democratising Innovation

Transparent culture leads to trust worthiness, which is a pre requisite for Innovation culture. Having won the trust of employees and partners (as explained in various parts of this story to follow), we started with theme based innovation, branding the same widely, within the company, and inviting ideas and having a structure to scrutinise ideas till implementation. People sensitisation and motivation to understand and participate in innovation, is important.

Every year, a theme of innovation was adopted, branded to give visibility, and efforts were channelised in getting ideas and acting on it.

Year	Innovation Theme	Number of innovative ideas experimented (successful ones implemented)
2004	What is new?	163
2005	Leap for Lasting Leadership	9
2006	HOD Funds	13
2007	Ideas Unlimited	26
2008	Simplify and Automate	10
2009	Innovation School of Management	28
2010	TATA innoverse	48
2011	Year of Innovation	14

Details in Figure II of Annexure

Some landmark milestones achieved in the process of democratising innovation are highlighted below.

A) WHAT IS NEW?

The first innovation initiative started in 2004 - Each department is given a white board, where they should capture, three new things that they are pursuing, every month. Competitive spirit was brought in by attaching rewards to departments systematically following this initiative. 14 departments, and 3 ideas per month, and 12 months, gave us amazing results.

Process followed to engage & evangelize employees :

It is said that **"People do not care who you are and what you say, until they know, you care for them."** The important foundation in any change management initiative, is to win the trust of employees (and all stake holders). As is there no instantaneous magic switch to build trust, with the everyday acts and deeds that the senior leadership does, over a period of time, the employees observe and judge whether we are trust worthy. Genuine care for people and placing people interest ahead of the business interest has always been in Titan's DNA. The great platform of trust, therefore was already prevalent in our company and the task was to build on this for this new initiative. Series of engagement with people, as detailed below, followed

1. Discussion with all departmental heads, leading them to think that only through innovation, can we obtain break through results. Getting their consensus before launching the program
2. Engaging with union office bearers and opinion makers in formal discussions in the factory and informal discussions outside the factory premises, in creating awareness on the current situation, and the expected outcomes in terms of productivity for us to break even (200% improvement in productivity). Sharing with them the turn-around stories of many corporate with employee involvement. Sensitising them to the urgency and leading them with conversation to think that, we need to innovate, and they can innovate

c) After taking the department heads, office bearers of the union and opinion makers in to confidence, conducting many open houses, to genuinely communicate with employees on the need for break through improvements, and sharing many inspiring innovation stories

d) After all these were done (Over a course of six months), Launch of What is new, was done with a big fun fare

e) Designing a suitable reward mechanism, and announcing the same to create competitive spirit amongst people

f) Daily rounds in shop floor, most of my time would be spent on few departments who had initially filled in the board

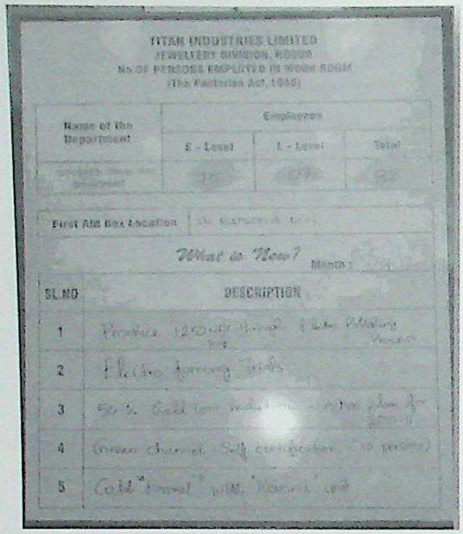
g) Peer pressure slowly started setting in and over a period of three months all departments (14 in all) had their boards filled in.

h) Daily reviews in the shop floor, weekly reviews with Managers, assisting them with timely resources in experimenting their ideas and applauding people in the shop floor, started yielding results

i) Monthly production review began with, reviewing the progress on What is new, ahead of the production numbers

j) Introducing each team to the MD whenever he visited the plant and, making the employee to present to the MD about their new ideas, opened up the flood gate for newness every month.

k) The winners every quarter as assessed by external jury, were rewarded.



TITAN INDUSTRIES LIMITED
JEWELLERY DIVISION, HOSUR
No. OF PERSONS EMPLOYED IN WORK ROOM
(The Factories Act, 1948)

Name of the Department	Employees		
	E - Level	L - Level	Total
[illegible]	[illegible]	[illegible]	[illegible]

First Aid Box Location: [illegible]

What is New? Month: [illegible]

SL.NO	DESCRIPTION
1	[illegible]
2	[illegible]
3	[illegible]
4	[illegible]
5	[illegible]

The WHAT IS NEW? Board launched in 2004.

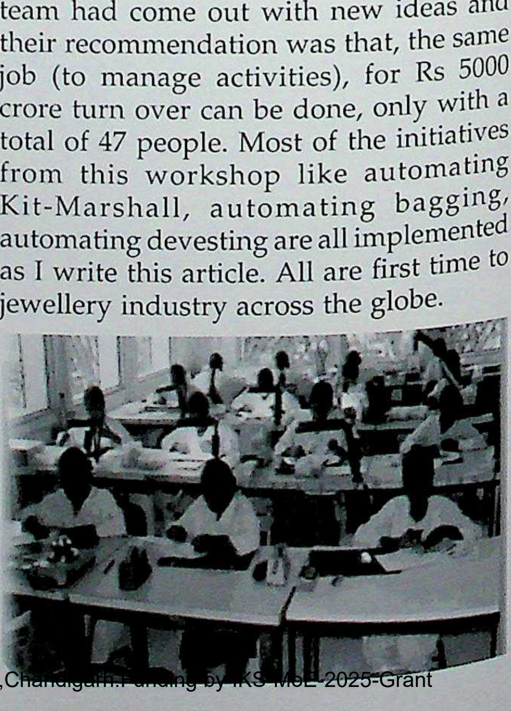
B) SIMPLIFY & AUTOMATE:

Encouraged by good results from What is new and Leap for lasting leadership, in an effort to get more from the already motivated Managers and employees, we had come out with an Innovation Theme, called SIMPLIFY & AUTOMATE .Our belief was that, whenever a collection launch of product in the market place happens there is a huge buzz associated with the newness and it increases the excitement & energy levels in the market place and amongst our employees. In similar lines, if we are able to place a theme around our innovation and brand it internally, it generates excitement and new found energy surfaces. Accordingly, in 2008, the theme for our innovation was **"SIMPLIFY AND AUTOMATE"**

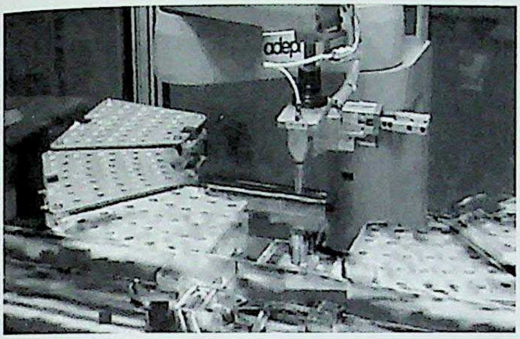
Why & What Of simplify &automate: In 2007, we had achieved a sales revenue of RS 1000 Crore and the company was all poised for a 5 fold increase in revenue in 5 years' time. The challenging question posed to the Managers was, how are we going to get fivefold increase in output in 5 years' time. In an exclusive off site meet, people were made to think on the fact that

1. We can get 5 fold increase by increasing our capacity fivefold by adding machines and equipments, and plan for increase in manpower to reach Rs. 5000 Crore revenue.
2. They were made to think that this approach is ok, if we all agree that we have already the best equipment and best of processes, and there is no room for any improvement. Also they were enlightened in this work shop on the uncertainties of market place, and the risk associated with adding facilities and increasing the manpower, and made them to seriously think on what processes can be simplified and what can be automated, in a systematic way.
3. They were asked this challenging question, Why not we create history in jewellery manufacturing , by innovating newer and better ways of doing things.
4. Different groups were formed to address capital intensive processes and manpower intensive processes and we decided to meet after three months, at the same venue

Results - Ten path breaking thoughts / projects evolved. The presentation made by one of the manager (at the end of 3 months), where in, in an area involving 456 manpower (as is for 5000 Crore), this team had come out with new ideas and their recommendation was that, the same job (to manage activities), for Rs 5000 crore turn over can be done, only with a total of 47 people. Most of the initiatives from this workshop like automating Kit-Marshall, automating bagging, automating devesting are all implemented as I write this article. All are first time to jewellery industry across the globe.



Manual Diamond Bagging

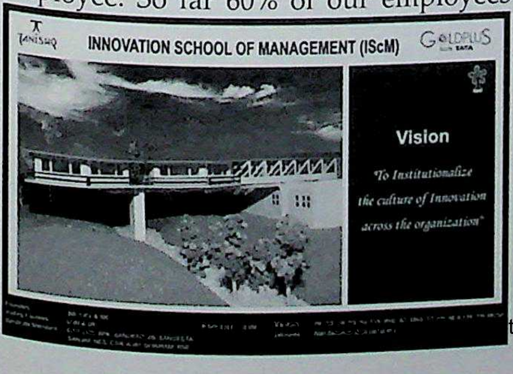


Diamond Bagging Automation Implemented

C) INNOVATION SCHOOL OF MANAGEMENT:

Having tasted the hidden strengths of employees and partners, since only 20% of the employees were actively participating in innovation, in 2009, we came out with an initiative called **INNOVATION SCHOOL OF MANAGEMENT,** with the view to make all stake holders innovators by 2015.

A six month program on innovation, co-created with EREHWON, an innovation consulting company, that has pioneered the Orbit Shifting Innovation Methodology, to build and multiply the number of innovation champions, with the capacity to conceive and execute innovation projects, at Titan, was designed with 3 days of class room session, on what, why and how of innovation, followed by 4 hours / week free time to work on identified innovation projects, 2 hours of mentoring in a week, Monthly review with SMT, ultimately leading to a diploma in innovation to the employee. So far 60% of our employees have been converted as trained innovators, and manufacturing innovations contribute to around 20% of our profits. Also all the HOD's have been trained as innovators.



INNOVATION SCHOOL OF MANAGEMENT (IScM)

Vision

"To Institutionalize the culture of Innovation across the organization"

TANISHQ
GOLDPLUS

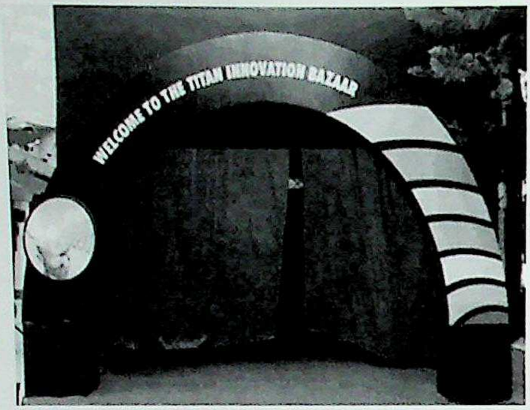
First Batch of "Innovators" From ISCM

D) INNOVATION BAZAR:

In 2011, we created a huge event called **INNOVATION BAZAAR (IDEA MARKET PLACE),** a two day event to show case employee ideas. : The idea of innovation bazaar was conceived after going through the HBR article in 2007, on "A buyers guide to Innovation Bazaar" written by Mr. Mohanbir Sawhney and Mr. Satish Nambisan. Innovation bazaar was decided to be done within Titan with three objectives

- To encourage employees to show case their implemented innovation and give them the pride of sharing their innovation with their other colleagues
- Create a cross pollination opportunity platform, within Titan , for people to get inspired by ideas they see , and possible implementation in their area of work
- To demonstrate management's commitment to the subject Innovation, by conducting this large two day event.

Eight eminent Jury panel evaluated the ideas, and decided on the best innovation. The innovations spanned across brands, businesses and functions, covering process, product, retail, customer service, and support functions. From 340 entries received, through proper filters, 120 ideas were shortlisted to be on display.

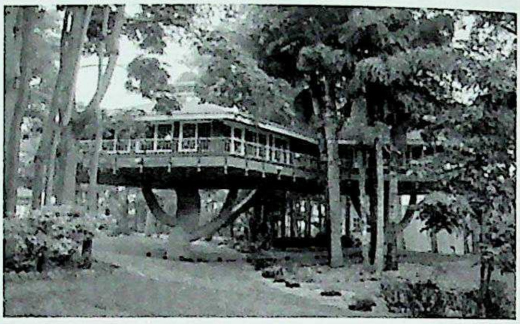


Titan Innovation Bazaar

A Stall in Action

E) INNOVATION CENTRE:

Inspired by Mr. Steven Jhonson's TED talk and his book on *where good ideas come from,* we have created this unusual building with the hope of bettering the quality of ideas from our employees. This temple for innovation (An innovative building) Called **INNOVATION CENTRE,** is aimed at engaging& inspiring people to come out with best of ideas for the challenge that they are working on. Unusual ambience coupled with bringing diverse set of people to come together, in this building, is expected to lead to unusual and impactful ideas. In Innovation centre we are giving the right ambience for employees to come, see the challenges, think and submit their ideas. It is a two hall construction with the first hall designed to be used as hall of creativity and the second hall designed to be used as hall of tranquility. A small proto-centre, library, discussion rooms are part of Innovation centre.



Titan Innovation Centre

CHALLENGES & SOLUTIONS

Challenges:

1) Enrolling employees to innovation initiative was a problem faced.
2) Enrolling the vendor fraternity was even a bigger problem.
3) Even when a bright idea was arrived at, resistance from the others in implementing was the other challenge

Actions to surmount the challenges: It has not been one quick fix idea , but has been a series of genuine efforts which has helped us to overcome most of the challenge

1) The culture should be employee friendly, If employees are not participating in innovation, we believe that, it is not their fault, and look at what we should do and what we are not doing
2) Engaging with opinion makers and giving them a serious listening, and fulfilling some of their grievances and making them a light house for innovation
3) Creating a structure to focus on innovation - **INNOVATION COUNCIL & FUTURE GROUP** (future group has 15 executives working full time on innovation, in Jewellery division, formed in 2008), Innovation Council (16

member senior group, for all business verticals of Titan), was formed by our MD in the year 2010. This was done after the success stories on Innovation from Jewellery manufacturing and after we underwent the innometer study as a company (and for jewellery division).

The task given to **innovation council**, was three fold

- How do we create a frame work to improve continuously on innovation?
- How can we increase participation level on innovation from employees?
- How do we integrate innovation in to our Strategy process??

Innovation council thus formed, analysed the Innometer scores on different aspects of innovation (Which met once a month for four hours) and had come out with a 5 pronged agenda, created a white paper with new initiatives and time bound actions.

BENEFITS & METRICS

To mention a few stunning outcomes from our Innovation culture

The biggest benefit from our effort to democratise innovation, is that, we have created a bunch of agile employees, who are ready to adopt and take head on the rapid and disproportionate changes happening in the market place, and lead the changes with their innovative ideas.

a) Production quantity per shift per person in stone setting improved from 100 to 1800 per person per shift. An international bench mark. (patent pending for mould setting innovation)

b) Wax setting production improved from 350 to 1800 per person per shift. Again an international bench mark. (Patent pending)

c) Manufacturing lead time on plain jewellery reduced from 30 days to 6 days

d) Studded jewellery (handmade) manufacturing lead time reduced from 56 days to 9 days

e) Robotic bagging automation introduced (Otherwise we would have engaged 150 people for this job) (patent pending innovation)

We are the World's first in introducing this process

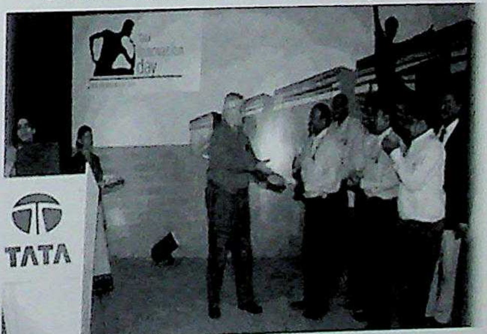
f) Kundan jewellery - manufacturing lead time from 60 days to 3 days

g) Virtual stone setting 100 proto per month from a group of 20 employees to 1000 proto from the same group (Patented)

h) 700 gms per month production of karigar to 3000 gms per month per karigar

i) Gold loss in manufacturing, through series of innovation today stands at 0.11%, down from 5% in 2003 (An industry bench mark)

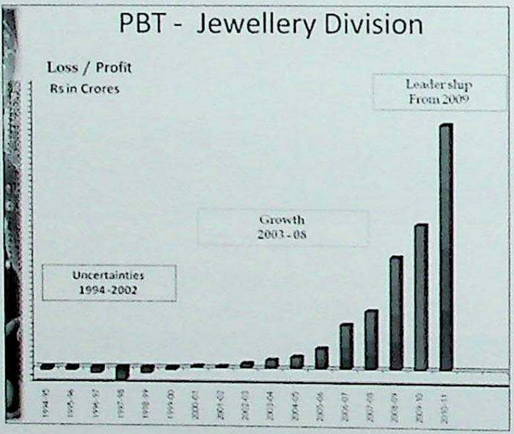
j) First TATA INNOVISTA in 2006, First prize won by our employees (otherwise called workers in other companies).



Titan Awarded for Mould Setting Innovation in Tata Innovista

k) International recognition for the processes of innovation adopted in Titan by the European Business School, in one their competition on "Developing leaders in Supply chain . . . A publisher covering the event, had our story as a case study in their book –"Develop Leaders in Supply Chain Management".

Titan Awarded in Tata Innovista For Diamond Bagging Automation



(Completer Turnaround in the PBT of the Jewelery Division as a result of various innovation measures.)

LESSONS

1) Every employee can innovate (Given the right culture & opportunity)
2) Never blame people for not innovating. Always ask yourself what is that you could have done better
3) Keep sensitising people to innovation (this should be an ongoing effort)
4) Create specific structure for scrutinising ideas (Otherwise people will lose interest)
5) Take idea to next step immediately. (Even if you fail, you will learn fast)
6) Educate people on tools & techniques to come out with ideas
7) Always publish challenging questions to make people to think beyond their routine
8) Liberal Rewards & recognition programs
9) Always (once a year) measure the status of INNOVATION ECO SYSTEM in your company, to improve
10) Innovativeness is sustained, when the employee realises that, innovation can go beyond the economic benefits to the company, in helping him to reinvent his professional & Personal life
11) Always focus on processes for innovation and not for results (results are bound to follow)
12) Keep generating ideas, more the ideas, more are the chances that we will get a break through idea.
13) Learn the art of managing the present without losing focus on future (TOP MANAGEMENT)
14) Last, but an important lesson learnt being, you cannot push employees to be creative, and the top needs to create the required pull by constantly and relentlessly, engaging,inspiring, with courageous patience.

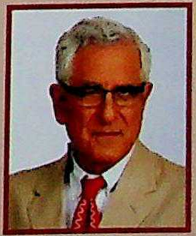
WHY CAN'T LARGE 'INNOVATIVE' ORGANISATIONS INNOVATE? SIX MALADIES IN SEARCH OF REMEDIES

SHLOMO MAITAL and ARIE RUTTENBERG

About the Authors

Shlomo Maital is senior research associate at the Samuel Neaman Institute for Advanced Studies in Science & Technology, Technion-Israel Institute of Technology, and professor (emeritus). He was the academic director of TIM-Technion Institute of Management, Israel's leading executive leadership development institute and a pioneer in action-learning methods, from 1998 - 2009. He was summer Visiting Professor for 20 years in MIT Sloan School of Management's Management of Technology M.Sc. program, teaching over 1,000 R&D engineers from 40 countries. He is the author, co-author or editor of 14 books, including *Cracking the Creativity Code* (SAGE India, 2014); *The Imagination Ladder* (Mandarin edition: Hangzhu Books, 2014); *Mapping National Innovation Ecosystems* (Elgar, UK, 2014); *Technion Nation* (2012), *Global Risk/Global Opportunity* (SAGE 2009), *Innovation Management* (Sage, 2007; 2nd edition, 2012); and *Executive Economics* (The Free Press 1994), translated into seven languages. He was co-founder of SABE – Society for Advancement of Behavioural Economics and was an early proponent of behavioural economics. His on-line course Cracking the Creativity Code – Part One is offered by Coursera and had over 11,000 students enrolled in its initial run. Two more such "MOOC"s are in preparation.

Shlomo Maital is married, with four children and 13 grandchildren. He completed the New York marathon in 1985 in 3 hours and 51 minutes, and in April 2006, completed the Boston marathon in about 5 hours. In 2014 he and his wife Dr. Sharone Maital did a four-month 'trek' that took them to South America, North America, Europe, Vietnam, China and New Zealand, visiting innovative schools in several of these countries.



Arie Ruttenberg was born in Tel Aviv, on August 8, 1948, less than three months after the State of Israel achieved independence. His parents were Holocaust survivors who emigrated to Israel a year before his birth, from the European death camps. He was born at the height of Israel's War of Independence, and at the age of 8, experienced another war, the Sinai Campaign (1956). At age 19, as a combat soldier in the Israel Defense Forces, he was seriously injured by an explosive device that damaged both his sight and his hearing, and was declared 100 per cent disabled. He ascribes his creativity and innovative skill to the instability and the hardships in his life, which forced him constantly to search for original solutions in order to deal with reality. Despite the physical challenges Ruttenberg began to study economics and management at the Technion, in Haifa, in 1969, and went on to found Israel's largest advertising agency, Kesher-Barel, later acquired by McCann Erickson. He is also co-founder of Club 50, for those in post-retirement ages. At Technion-Israel Institute of Technology, Ruttenberg met Shlomo Maital, one of his economics instructors, and with him wrote Cracking the Creativity Code (SAGE India, 2014). They have together developed an application for fostering bottom-up creativity in organisations, called GreatIdeapp.

Introduction

A great many global multinational companies perceive themselves to be highly innovative. They invest enormous sums in Research & Development and employ hundreds or thousands of scientists.

According to Lou Kerner:

Cash rich corporations run by smart people are going to try aggressively to adapt [to small innovative "disrupters"] – by spending lots of money. The $330 billion in R&D spending [by American companies in 2014] should be a great start. But for corporations, there's little correlation between what they spend on R&D and the amount of innovation that results. A recent Booz Allen survey ranked Tesla the ninth most innovative company among the Top 500 global spenders on R&D. That is despite the fact it only spent $300 million in 2013, coming in at number 377.

He continues:

In the second quarter of 2014 U.S. companies announced $625 billion in [Merger & Acquisition, M&A] deals, up more than 58% over the same period a year earlier. According to a recent report by Price water house Coopers, "Transformational" M&A (which generally includes innovation) is now the number one reason for targeting a particular company. But acquisitions are tricky, and the Harvard Business Review recently reported that between 70 percent and 90 percent of M&A deals fail.

Without exaggeration, one can state the following: Large organisations, including those with huge R&D budgets, get relatively little return on their investment in innovation. According to Schneider and Hall:

Less than 3% of new consumer packaged goods exceed first-year sales of $50 million– considered the benchmark of a highly successful launch. And products that start out strong may have trouble sustaining success: We looked at more than 70 top products in the Most Memorable New Product Launch survey (which we help conduct) for the years 2002 through 2008. A dozen of them are already off the market [by 2010/11].

Because they are aware of the low ROI on internal R&D, because they know they are very poor at producing innovation internally, large companies spend even larger amounts in efforts to import innovation, by acquiring innovative companies for very high prices. The goal is to achieve "transformation" – of the company's innovation-hampering culture. But this too rarely succeeds, because integrating creative people into large bureaucratic companies generally fails.

Sometimes, in desperation, large companies like Procter & Gamble have torn down the walls between their R&D efforts and the world, seeking ideas everywhere. Procter & Gamble employs some 7,000 scientists and engineers in its R&D departments, but has for years engaged in "proudly found elsewhere", or open innovation. Increasing numbers of large organisations are implementing "open innovation" and are appointing "Chief Open Innovation Officers".

So – why do big companies that invest in innovation, fail to innovate? The answer, of course, lies with people – their motivation, creativity, and behavior.

We propose six maladies that repress successful innovation in large organisations, along with some remedies. All the maladies are related directly to how creative people fail to thrive in the disciplined, bureaucratic culture of the global multinational company.

Malady #1: CEmyOpia:

To explain this malady, we begin with some data.

It has been reported that the average tenure of a Fortune 500 CEO is 4.6 years – about the length of a presidential term. And, the average tenure of all CEOs according to published reports is 8.1 years

CEmyOpia is the outcome of the relatively short tenure of multinational CEO's. Knowing they will serve for only four or five years as CEO, the psychology of senior managersmakes it rational, even wise, for them to avoid any major risk.

When a CEO comes to work and all that interests him or her is keeping their job, and not making a mistake that could get them fired, this causes paralysis. It is not part of an evolutionary process, it simply causes paralysis. There are many large organisations whose CEO's are less interested in the wellbeing of the organisation than in their own personal wellbeing, which comes down to ending the day without making a mistake, without losing their job. In many ways, CEmyOpia resembles the same disease among political leaders. Why engage in difficult projects whose benefits will accrue only long after the politicians leave office? Short-term-it is is endemic in both business and political life.

This malady is perniciousand should be opposed strongly. Organizations need to find ways to compensate and incentivize managers willing to be bold in areas the organisation permits, not irresponsible but courageous, and create a situation where managers who take no responsibility, who take zero risks, pay the price. They must celebrate failure, not just success, because there is no innovation without risk and no risk without failure. Few organisations today, faced with militant Boards and shareholders, are prepared to celebrate managers who took innovation risks and achieved no results.

Alibaba Group is the giant Chinese internet company founded and led by a former English teacher, Jack Ma. Alibaba, originally a B2B wholesale platform for small Chinese businesses, was founded in 1999, just before the dot.com bubble burst. The ensuing years were difficult; Jack Ma's idea, to enable small Chinese businesses to sell to the world, may have been a bit premature. But with strong leadership, Alibaba prevailed, eventually defeating even the powerful eBay in the Chinese e-commerce sphere. Today the question is whether Alibaba, now a huge group of companies, will retain the same innovative spirit that pervaded it in its early days.

Malady #2: TopDownItis:

Of the three key market disciplines -- innovation, operational excellence, and customer intimacy – the latter is perhaps most vital, because it drives the other two. But with TopDownItis, it is often lacking in the 30th floor glass-walled corner offices where key decisions are taken.

We sometimes give seminars for senior managers. When we do, we sometimes ask the participants about their functions. We especially seek senior sales managers. But they are rarely there. Sales personnel and managers are generally out in the field, selling, because that is usually how they make their living. For companies with large sales forces, salespersons are often a greatly underused resource for innovation – of the bottom-up kind. Salespersons are at the 'coal face' daily. They know the quality of the vein of coal, how much is being mined, how hard it is to mine it. The numbers crunched by coal mine officials are a poor substitute.

The remedy for this malady, TopDownItis, is to implement a variety of bottom-up innovation programs, that seek ideas from everyone in the organisation and recognize those ideas whether or not they are implemented. The resulting empowerment of company employees is itself a major benefit, irregardless of the new products, processes and services that result.

Malady #3: IfItAintBrokeDontFixIt Syndrome:

The great management consultant Peter Drucker once observed, "companies fail because they do the wrong thing, not because they do things wrong." But, why do large organisations continue to produce the wrong (same) products, rather than innovate? They practice, "if it ain't broke, don't fix it" – a terrible management axiom, because by the time it IS actually broken, it is far too late to fix it. Of the 500 largest companies in America, listed in the Fortune 500 in 1955, only 71 of those companies remain 60 years later, in 2015. Some 86 per cent have disappeared; they did the wrong thing. Why?

The reason is, a large organisation cannot permit itself to make big mistakes. It is responsible for a great many people, investors, clients, it cannot let itself suddenly seize on an idea that turns out to be a flop and sends it crashing. A large multinational firm is like a supertanker, which takes several miles in order to turn around in the open sea.

Therefore when a big organisation examines alternatives, it will naturally prefer one that others have already tried, one with some experience, that has already been proven. So, what large organisations do, they let others break the trail, they let others try and fail, they let others make all possible mistakes. There are always a ruckload of disruptive technologies competing with one another, and it is rarely clear, in the fog of competitive war, which will triumph.

And then, when a small company manages to overcome obstacles and proves it has a serious solution, a responsible one, one of quality that won't cause a crisis, then the large organisation brings what it has, a great deal of money, and buys the small one. The big company says, "it's worthwhile for me to pay the high price for this little company that invented this wonderful thing, so that I won't have to overcome all the obstacles that others overcame, that I'm not prepared to face."

This is a very responsible policy, very cautious, that creates a correct division of labor between those who have money and can't take on risk and those who have no money and thus have to take risks. Therefore, the role of small companies, startups, is to try innovative ways, to fail, to try again, to succeed and in the evolutionary war of survival, survival of the fittest, those startups survive who prove they are indeed worthy, and then the large companies come along, bring what they have (money), buy them and 'tame' them.

Selling Brains as a Business Model

Israel, widely known as the startup nation, has created a "niche" business from the difficulties of multinationals to spur creativity and innovation internally. For Israel, 2014 was a major year for exits (acquisition of startups, mainly by foreign multinations), which totaled $5 billion, down from $6.45 billion in 2013. For the first months of 2015, the pace of exits has even quickened. The last Israeli startup to grow independently to global size was founded in 1993 (Check Point). Facing difficulties in hiring talent and raising funds, startups are tempted by generous offers from large firms seeking their creative ideas.

The major problem with this model is that acquisition of innovative startups by large companies generally fails. It takes months for the acquiring companies' HR to identify the truly creative people in the acquired startup, and by then they have long since left the company. The bureaucratic discipline large companies impose is often anathema to the open, free culture of acquired startups.

Malady #4: SlooooowPoke Paralysis

This malady, SlooooowPoke Paralysis, stems from the very structure of a large organisation.

To find new ways, new ideas, you need mental flexibility, in order to invent an idea that does not exist. A small company or an entrepreneur has an easy time to reach consensus with himself or herself, with his wife, with friends and partners, that this is the right idea. Small companies are agile. Large ones generally are not.

To reach consensus in a big organisation is very very complicated, very difficult, and very slow, because there are thousands of different opinions that in the end converge to what everybody already knows and what already exists and agrees with, so within the organisation.

Even if there is a manager with sufficient courage to propose new ideas, he or she needs to attain consensus, and for the manager this is very hard. It is well known that in the difficult years of the early 1990's, when IBM was struggling, its hierarchical organisation had 18 different levels of approval for project ideas. How many creative people at the bottom of an 18-run ladder are boing to bother even to start to climb it, knowing that the path to the top is long and slow and the path down, to approval, budget and action, even longer and slower.

In the end there are organisations, Apple for interest, that prove that big organisations can be bold and daring, and innovative, but this depends on one key thing. It depends on the top person, the Chairperson or CEO, who leads the innovation without fear. Because they are the ones who are not afraid to take personal risks, they do not need consensus with thousands of other people, they have the authority, and the power, and the professional ability and economic resources to make decisions and they can lead the organisation.

In the end, the fact is that Apple for a time was the largest company in the world (in terms of market value), was thanks to one person, Steve Jobs, who chose this path for innovation and who instilled in his organisation the culture that his successor has continued very well. It is very difficult to find more than a handful of large companies like Apple, that retain their early-day entrepreneurial spirit and continue to surprise the market with new and beautiful products and services.

One remedy is to practice Agile Innovation – a set of practices and tools that make the innovation process lean, mean and speedy. Sometimes, a bad decision can be superior to no decision, because the bad decision yields valuable information about the market that would not otherwise have been known (e.g. what customers do NOT want).

Malady #5: OutofTouch Disease

One of our acquaintances, who heads a London-based consulting firm, uses a wonderful metaphor: Go to the coal face, he counsels senior managers. And he and his team do it themselves, finding ways to boost clients productivity significantly, simply by getting out into the field and closely observing places where the work is done and the sales are made. Why should an outside consulting firm bring useful actionable information to a company in one week, when the company itself could have done the same year round?

In a coal mine, the coal face is where the coal is actually mined, by the miners. The coal face is where customers and clients are met, served, understood and interviewed. Yet paradoxically, most innovation processes are defined as "strategic innovation", and hence, they are led by the CEO and senior management, in a top-down fashion. Ensconced and barricaded in sumptuous headquarters, CEO's and senior managers are fed optimistic biased information by subordinates (not only in ancient Greece were the messengers bearing bad news put to death), and frequently never visit the "coal face" themselves. The result is a fundamental failure to keep in close touch with rapid changes in customer preferences and marketplace trends. We call it OutofTouch Disease.

The remedy is to practice Let's Get Out of the Office therapy. Some companies send R&D engineers out regularly with sales teams, to encounter real clients. One company, EMC2, once placed its customer service call center smack in the center of its huge Engineering (R&D) department, so that customer service works would encounter development engineers regularly, at the coffee machine, enabling customer complaints to move rapidly to those who designed the cause of them in the first place.

Another remedy? Somehow, the people who are charged with developing innovative products and services must find ways to regularly interact with the companies' customers, without destroying the focus, isolation, concentration and intense effort that new product development requires.

Malady #6: Disciplinitis

Startup companies are often chaotic, disorganized, poorly managed – and highly creative. Established global companies are disciplined, organized, well-run, with well-defined well-tested processes and procedures in place – otherwise, they would not have grown to global scale. Ideas often do not thrive in a culture of organisation and discipline.

This malady, Disciplinitis, is pernicious. Startup companies that do grow to global size do so through disciplined management, which often kills the spark of creativity that led to their initial success. An example is the global Israeli software company Amdocs (billing software for telecoms), which embraced as its mantra, "We Deliver", i.e. we have operational excellence to deliver our products to you, on time and as promised. We believe that while Amdocs enjoyed global success for years, its mantra caused it to struggle with innovation.

Some companies cure the malady with quarantine. Lockheed long ago built its Skunk Works, in California, where brilliant quirky and creative individuals were given immensely difficult challenges, isolated from the bureaucratic culture of the company, and basically left alone. IBM's PC was developed by a team exiled to Boca Raton, Florida, far from corporate headquarters; without this exile, and the freedom it entailed, it is doubtful whether the PC would have been so successful.

Conclusion:

To paraphrase the opening sentence of Tolstoy's novel, *Anna Karenina:* Happy innovative firms are innovative, all in the same way. Unhappy non-innovative organisations are non-innovative, each in their own way. And there are probably many more innovation-hampering maladies than the six we recount here.

It is possible to overcomplicate, as a complex matter of organisational structure and behaviour, what is ultimately a simple clear problem.

Innovation is the result of the hard work of creative people. Creativity thrives in an open unconstrained environment, in a culture of empowerment and vision, driven by highly motivated people good at teamwork and willing to take risks, whose achievements and importance are recognized and rewarded. The modern structure, environment and culture of global multinational firms are often the opposite of the conditions in which creativity thrives and blossoms.

There is a fundamental dilemma, because those same disciplined competencies that enable achievement of global scale and global growth, often extinguish the creative qualities that sustain that growth.

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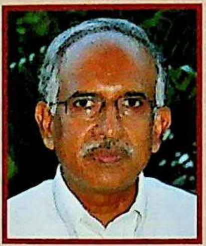
DRIVING INNOVATION IN A SERVICE ORGANISATION – IT IS ALL DONE WITH PEOPLE

THULASIRAJ RAVILLA

About the Author



Thulasiraj Ravilla has been part of the senior leadership team of Aravind Eye Care System since 1981 and was instrumental in establishing Aravind's systems and processes. Now he heads the Lions Aravind Institute of Community Ophthalmology (LAICO). In line with the organisation's mission to eliminate needless blindness, LAICO has mentored over 320 eye hospitals across the globe. He has been an Advisor to India's National Programme for the Control of Blindness and the WHO, he served as the Southeast Asia Chair of International Agency for the Prevention of Blindness and was the founder President of Vision 2020 India.

Thulasiraj was named as a Social Entrepreneur in 2005 by the Schwab Foundation, and judged the "Hospital Administrator of the Year in 2008" in India by Modern Medicare and GE Health. He is an acclaimed speaker and was also honoured as the "Most inspiring Healthcare Leader of the year" in 2014 by *The Times of India.*

Employees are the ones who define an organisation and this istruer,even more in service organisations such as hospitals and healthcare institutions. The organisation's culture, its work ethos as well as the efficiency and quality of the services are entirely driven by the employees in a service organisation. While technology is deployed extensively in healthcare, it is only as good as how it gets used. In this context, it is appropriate to explore the organisational eco system that fosters innovation amongst employees in a healthcare organisation. While there are a number of factors that contribute to innovation, two of them standout significantlyand they are:

- focus on the purpose of the organisation and a
- culture of evidence based managing and decision making

Focus on Purpose

Every institution tends to have an inspiring vision which quite often translates into the purpose of the organisation. However it is not a well-articulated purpose which fosters innovation, but rather a relentless pursuit of the stated purpose. At Aravind the vision or purpose is defined as 'Eliminating Needless Blindness'. This is open-ended and not restricted to certain geographies, communities or specific economic strata. A true pursuit of the purpose would demand that we find the means to address the problem of blindness and visual impairment across all the countries. And in areas where we directly provide care, we will need to reach everyone and serve across all economic strata. This would need to include the large proportion of those who cannot pay for the services as well as an even large proportion who aren't seeking eye care due to access or other reasons.True pursuit of such a goal requires innovation in design, systems and processes as well as in execution.

However, none of that will work effectively without the right team of employees. Because such a pursuit has to be internally driven by the leadership and the rest of the team.

So in Aravind, the recruitment, selection and appointing the right staff is of paramount importance. The people who by default occupy more influential roles in the organisation such as the doctors or managers are subjected to a more through assessments of their attitudes and beliefs. In the early years of the organisation, the doctors applying to work with us were required to spend a week with us as part of interview process. For managers it was several rounds of interviews, by a cross-section of hospital's senior staff. In the recent years all positions are being filled up essentially through an internal training pipeline which allows for a much longer period for both assessing and shaping the candidates. In all appointments, in the final selection, an overwhelming importance is given to attitudes and values over competencies,clinical or others.

All this was in recognition that passion, perseverance, compassion, capacity for hardwork and a strong sense of accountability were more critical to the pursuit of the vision of the organisation. This strongly aligned workforce was essential and their confidencethat the goal is achievable is what resultsin the relentless pursuit. It is this pursuit that gave rise to a series of successful innovations and the process still continues. We also realise that the success of an innovation does not lie in the brilliance of the idea but in the implementation and quality of execution, which is all driven by the staff. This is what makes the recruitment, selection and alignment on values so critical.

Such a focus on purpose also influences the perspectives that the organisation develops towards challenges. The perspective in turn influences the solution or innovation which more often than not turn out to be effective.

In our case this became very clear that eliminating needless blindness cannot be achieved just by providing excellent care to those who come to the hospital but requires reaching out to the many more who could benefit but are not seeking care at the hospital. Thus the entire market focus of Aravind Eye Hospital was on 'non-customers'. This perspective lead to a series of innovations to create better access. It started off with going into the communities to find those with vision problems, making the diagnosis and offering them appropriatetreatment free. When those advised did not turn up at the hospital for treatment, in spite of it being offered for free, we went back to the community of patients to assess the reason. This research study led to the offer of free transportation and food to mitigate the access and related economic barriers. While this increased acceptance to 90% plus levels and we were operating on thousands of patients every week and restoring sight, a study done several years later in late 1990s showed that eye camps attracted less than 7% of those in need of eye care. This made us go back to the drawing board to come up with effective ways to achieve universal coverage. Without a process to reach everyone, the goal of 'Eliminating Needless Blindness' will continue to be a distant dream. This led to the innovation of telemedicine enabled Vision Centres (Primary Eye Care Centres) staffed by technicians. The sophistication in the backend and cloud based applications allowed for real time collaboration between the doctor at the hospital with the technician and the patients at the rural vision centres. This connectivity with the patients in real time ensured quality and comprehensiveness of care that otherwise could have been possible only by visiting a specialist at an eye hospital. Now each day about 1,500 telemedicine consultations are done, making it one of the largest telemedicine application. The emerging data from these Vision Centres now shows that these centres in about 3 to 4 years' time have reached to everyone in need and thus achieving the holy grail of universal coverage (for eye care).

This strategic approach in outreach of providing transportation and food, has now become a national policy and is supported by the National Programme for Control of Blindness. Similarly the Vision Centre approach and achieving universal eye care is being considered by several State governments in India for State wide adoption.

By and large the character of innovations driven by the purpose tend to be more strategic in nature than operational. They are more about development of new approaches and processes rather than improvements to existing work.

Culture of Evidence Based Decision Making and Innovation

While 'the Focus on Purpose' will continue to result in several innovations of strategic nature, the ongoing review of evidence has helped Aravind to tread a path of continuous improvement. Such improvements come out of innovations from across the staff and ideas from patients.

Evidence is not limited to data generatedfrom hospital work or the electronic databases that sit behind all applications. Lot of the evidence tends to be primary information by nature.

For instance the patient feedback system is one such. The format for this is an open register in which the action taken is also recorded below the patient's suggestion or complaint. Since these registers with the complaints and details of action taken are accessible for review by patients and the attenders, they feel encouraged to record their critical as well as appreciative comments. For the staff there are formal structured meetings to give their inputs. There also web based communication channels which cuts through the hierarchy and reaches the top management instantly. All employees have easy access to these web based communication channels. One of these channels are dedicated to hospital's work relating to patient care and the staff are encouraged to record not just the problems that happened, but the near misses as well – the mistakes that could have happened. The other channel is completely open ended and can include any personal and interpersonal issues as well, which in the employee's opinion requires an 'organisational intervention'. The inputs from this web channels triggers immediate action regardless of whether it is anonymous or by an employee who has identified oneself. Several of these have triggered innovations.

The real bulk of the evidence comes from the on-going hospital work, a lot of which is captured and analysed in real time. New ideas or innovation for improving the operations often stems out of formal review processes of the databases most of which are done on a weekly basis.

Such evidence generated through a patient centric approach has resulted in numerous innovative processes and systems.

Aravind Eye Hospital through its fixed facilities sees on average, over 10,000 outpatients a day. All of them come in without any prior appointments and this is in reflection of the clientele that Aravind attracts, for whom making an appointment is not part of their culture. A robust "daily patient load prediction model" helps the hospital to be prepared and ensures that the patients are seen with minimal waiting time. Most patients are seen within 1½ to 2 hours and this is tracked in real time at patient level. Being a tertiary hospital, several of the patients would require cross consultation with other eye specialists or need special investigations. The systems and work processes have been developed to accommodate this on the same visit, while in most other hospital settings, the patients would have to make multiple trips. Subject to patient's willingness, those advised surgery are offered immediate admissions with surgery on the flowing day. Even with over 1,000 to 1,500 surgeries and laser procedures happening each day, there is no waiting list. The discharge and the billing procedures have been tweaked so that the patients would be able to leave within minutes of being discharged by the doctor, complete with prescription, discharge instructions and full bill settlement.

Building the eco-system for innovation:

Innovation is not a one-time occurrence, but has to be a continuous happening. For this to manifest, it requires the right organisational eco-system. At the heart of most innovations is the need to improve or address a deficiency and this requires both a non-threatening environment as well as very supportive structure.

Using evidence for system change over individual appraisal

Innovations for improving operations intrinsically assume that there are deficiencies which may manifest as inefficiency, poor quality or as patient compliant. As a service organisation all such shortcomings are often associated with one or more of the staff members. However if evidence is used to essentially shift the shortcomings on the individuals then seldom any innovation or improvement happens. The concerned individuals become defensive, putting forth a number of reasons whether justified or not. This approach or process works counter to building a culture of innovations and in most organisations the approach of finding "who is at fault" seems to be the norm. Thus to foster continuous innovation it is critical to always focus on a "system fix" rather than a "person fix". The ecosystem should allow for open discussion of all shortcomings in-order to find a system solution that pre-emptsthem in future.

At Aravind we started monitoring surgical complication since almost 30 years ago. For every surgical complication, however minor or transient, we started capturing all the associated information such as the diagnosis, surgical techniques, instrument/equipment used, operating room, the case number for the surgeon, implants/sutures used, the surgeon, the assistant, etc. This data on complications was analysed by the same staff (with IT team support) and discussed in open forum which includes surgeons, nurses and managers involved in patient care. Though the analysis shows the names of people associated with various procedures, the discussion was never around them but always to see if a pattern emerged that could be addressed by a system.

Today this monitoring still continuous but with much more sophistication, on a web-based platform. All the analysis and benchmarking happens in real time and can be accessed from anywhere at any time. Over time a number of improvements were made to the surgical techniques thereby reducing the complication and infections to far below international standards or the rates in US or UK. Even when the association of a shortcoming is strongly tied to an individual the exploration is around the training and mentoring of such individuals.

It is critical that the staff of the organisation feel safe and comfortable to raise issues and even near misses, without which innovations and improvements cannot happen in an organisation as an on-going processes.

Support and following through of ideas

While it is important to create the right culture in the organisation to surface issues and articulate solutions, it is equally important to support the experimentation and invest in integrating successful innovations into the regular functioning of the hospital. For ideas that graduate into the experimentation phase, required resources have to be made available in an accountable manner. This is what motivates and sustain the process of innovation. Inherent in this is the notion of tolerance for failures while also ensuring that such failures do not affect patient safety in any way.

As mentioned earlier Aravind Eye Hospitals receives a large number of patients each day all of whom coming without any prior appointments. However the analysis of the arrival pattern showed that there was a sizable cluster of around 150 patients waiting, when the hospital opens at 07:30 am for outpatient services. After which the patient flow is steady but a low flow. Again a major influx was noticed between 10:00 and 11:00 am when people from 50 to 60 kilometres away start arriving. This sudden influx along with the patients who had arrived earlier and still being served, led to significant waiting time which the patients obviously were not happy about. Some of the staff looked at this arrival pattern more closely in conjunction with the capacity of the clinics. The staff proposed that if all those who come between 07:30 and 09:00 am could be seen and leave the hospital by 10:00 am, then with a relatively empty clinics, it would not be such a challenge to handle the new influx of patients and have them leave in reasonable time. This gave rise to an experiment called as "zero at 10:00" (zero backlog of patients at 10:00 am of those registered till 9:00 am). Required changes to staffing was done. The IT systems were suitably modified to track this and also identify by name, the patients who could not be seen before 10:00 am. The senior team reviewed this data each day and continually made changes and in a month's time they were able to demonstrate a consistent 100% achievement of this goal of "zero at 10:00 am". Subsequently the waiting times across the day dropped and most patients were able leave the hospital well within 2 hours after a comprehensive eye exam and appropriate diagnosis and prescription. This has since been implemented across all hospitals of Aravind.

This process of giving such support to an idea will obviously involve several of the hospital staff and it communicates in its own way the importance given by the organisation for trying new idea. It also creates a positive "can do" DNA in the organisation that any problem can be surfaced and more importantly that they can be solved.

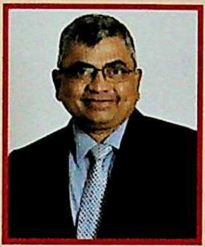
Building the innovation DNA

In today's environment which is characterized by constant change in technology, customer expectations, employee aspiration and market place dynamics, an organisation has to continually renew itself. This is a necessity not just for achieving excellence but even for basic survival. Organizations which are reluctant to leave their comfort zone and feel 'it is good enough' will soon get left behind. There are many examples of this. Though innovation to bring about paradigm changes or incremental innovation is critical to an organisation, this has to manifest across the organisation and not just amongst a few individual. Thus it becomes critical to build this as the DNA of the organisation. An important foundation for this is becoming a "learning" organisation and a powerful process for doing this is continuous and structured exposure to the external eco-system. This can take the form of visits to other organisations and talks by speakers from outside. Given the practicalities, these can at best be periodic. However weekly or daily learning sessions such as reviewing relevant journal articles will give continuous insight into what is happening in the external world. The organisations which are acclaimed as successful are the ones that have to take more efforts to practice this since successful organisations, soon start believing that they are the best and tend to develop a strong inward focus. Thus humility and being a learning entity become very practical and effective virtues for an organisation to continually renew itself, which is now becoming a necessity. In all this, the role of the leadership is of paramount importance, especially in shaping the DNA of the organisation.

INNOVATION IS NOT A TITLE

KRISHNAKUMAR NATARAJAN and VIDYA SANTHANAM

About the Authors



A leading authority in the global IT sector, **Krishnakumar Natarajan** co-founded ; Mindtree in 1999 and has played key roles in building the company's innovative approach to delivering IT services and solutions to global 1000 enterprises. Natarajan was instrumental in setting up Mindtree's U.S. operations, driving expansion in Europe and Asia Pacific regions, and transforming Mindtree's IT services business. Today, his mission as CEO is to lead an expertise-led organisation as a standard-bearer of the new-wave of technology solution providers.

As CEO and Managing Director, Natarajan is actively engaged in ensuring a high quality of governance. He's involved in recruiting and bringing diversity to the Mindtree board, resulting in a highly valuable group of independent directors. Natarajan's efforts as a business leader have been recognized worldwide. He was ranked 28th of the 50 highest-rated CEOs by Glassdoor in 2013. He won Bloomberg UTV's award as the CEO of the Year in 2010 and was recognised by Chief Executive Magazine's as one of the twelve global leaders of tomorrow.

A 35-year IT industry veteran, Natarajan held several key positions at Wipro before co-founding Mindtree. During this time, he launched and grew the ecommerce division of Wipro, served as Group Vice President of human resources, and was Chief Marketing Officer for Wipro's IT business. In 2013, Natarajan served as Chairman of the National Association of Software and Services Companies (NASSCOM), where he worked to strengthen the Indian IT industry to be a globally competitive ecosystem comprised of both established and emerging companies.

Vidya Santhanam, Program Director People Function, heads OD initiatives for Mindtree. With over 12 years in Mindtree, she has been involved in the roll out of several strategic initiatives spanning Culture Building, Leadership Building and Team Interventions. Her current expertise involves being the custodian of the Mindtree Leadership Model, supporting Mindtree's top management in the roll out of Leadership development initiatives, Strategic Talent Reviews and designing frameworks for integrating new leaders into Mindtree.

She has also been instrumental in the design and roll out of large scale change management initiatives in the areas of Performance management, Employee Engagement, Rewards and Recognition and sustained engagement post People Experience surveys.

You would remember the drill: everyone knows everyone, the paper napkin doodle happens, the right people huddle in a meeting room, and voila, we see it all coming together! An idea and possibly a business is born!

The same team, well, grows bigger and bigger – You have formal structures, processes, tools, systems and people. Decision making is driven by authority; emails and the number of people on the 'to and cc' list drive decisions. More data is sought, and the mulling happens; in short, ideas however relevant they may be tend to get lost in the cycle of over processing.

While these may be organisations which are relevant today, we would want to believe that the workforce of tomorrow will force an astounding shift.

By 2020, the workforce be dominated by Millennials, by 2030, Generation C (Connected) will enter the talent pool, thriving in a hyper connected world with access to information, truly unthinkable. Both sets are driven by the need to stay connected and the hunger to create.

This would also lead organisations and decision makers of today, to believe that Innovation cannot be titles anymore or driven by specific groups of people. The need for going beyond the stated - objectives / structures / lines of control, to internalising them as behaviours and most important, driving through collaboration.

In short, Innovation has to be the responsibility of everyone in the organisation. It needn't be breakthrough ideas but many times incremental innovations which deliver substantial value for the customer and this may come from people who are in the frontline dealing with customers.

In our conversation, we will be looking at three key elements in institutionalising Innovation:

- Talent DNA –What kind of a workforce would drive innovation?
- Leadership DNA – Managing and Leading in changing times
- Context of Innovation – Keeping the customer in mind

TALENT DNA:

Let start by asking ourselves, is innovation for all?

Well, the answer is yes however there are a set of traits, if present in people will enable them to do so effortlessly.

- The first stemming from curiosity, thirst for diverse interests and connecting the dots.
- The second stemming from a mindset to take risks/ experiment
- The third stemming from a mindset of working with a diverse set of people, and openness to diversity in thoughts, motives, beliefs, perspectives.
- The fourth, the resourcefulness in making things happen!

In Mindtree, we measure all these attributes, bubbling up to learning agility, a measure of adaptability (copyright Korn Ferry International). While these assessments are done at a leadership level, data shows that an organisation may have an average 40 % of its workforce which would be high on learning agility.

Having a framework which calls out competencies required to institutionalise innovation and an approach to measure and develop the capabilities sets the foundation.

Which brings us to the next set of questions:

- How do we nurture an agile mindset?
- How do we get more such people in the workforce?
- How do we encourage this talent to drive innovation?
- How do they come together outside the lines of authority / responsibilities to solve problems?

The answer lies in reviving and nurturing these in early career, such that the workforce of tomorrow is tuned to thinking and behaving differently.

Mindtree's **Global Learning Center (MindtreeKalinga),** has a mission to revive curiosity, ignite courage and foster responsibility to become an expert and a global citizen – we believe that all these three behaviours drive innovation.

The Center is aimed at creating a workforce that is geared and ready for 2020. What does this workforce of the future look like?

- Has the engineering, business and social mindset to solve complex, inter-disciplinary problems of tomorrow.
- Possesses a good balance of left and right brain – We believe the future is not just about math-logical intelligence but about multiple intelligences.
- Learns on their own, in a group and from an expert. Our infrastructure facilitates this by enabling groups of eight people to live, learn and work together with the best internal and external experts.
- Collaborates not just with homogenous groups, but also with heterogeneous groups. This is critical in the increasingly global, diverse, and inclusive world we are becoming a part of.

In the learner led model, campus hires are encouraged to learn and ask 'Why' thereby thinking, visualising and applying to build solutions. Curiosity drives exploration, curiosity drives questioning, curiosity is what has driven men and women to ask the pertinent questions of Why? What If? Why not? There's a very pertinent saying in management 'if there wasn't a problem, then they wouldn't have hired you.'

Connecting curiosity and the need to solve a problem forms the foundation of Innovation. This requires courage and the responsibility to take it through the tunnel. **Innovation in Mindtree is not about getting a room of people together in a room and asking them to generate ideas and innovate – which is like innovating in a snow globe.** Innovation is about Collaboration, a collaboration on aspirations and the hunger to solve a problem and on voluntary commitment.

The Global Learning Center has a multitude of projects which require Mindtree Minds in the center to raise their hands and be part of the solution. We again speak about the need to not only be comfortable with diversity, but thrive in it.

The learner led model, based on the G8, gets our campus Minds together – they work, learn, play and stay as a group collaborating as a group, presenting finished concepts, to sustaining engineering systems on campus – for waste, water and energy management to thinking and visualising systems to integrate components.

Mark Twain was not the only one who thought that classroom leaves you so unprepared to face the outside world. Indeed!

LEADERSHIP DNA

It takes two to tango, and the importance of leaders cannot never be undermined in sustaining an innovation culture.

Parenting for instance, has undergone a sea change, and managing Gen Y and Gen C needs a new skills as well. From instructing to sharing perspectives, from authoritative to partnering, from supporting to engaging. The same set representing teams which leaders work.

So, what does it take to have the skills to lead the workforce of tomorrow, which is the similar archetype? These are part of a leader's development journey at Mindtree, where leading innovation as a module is part of a 10 month developmental journey, whereby the focus is on leadership behaviours which foster a culture of innovation, keeping in mind the context of the customer. Along with the perspective building sessions, leaders experience a leadership exploration (an immersive journey), whereby they study an Industry or organisation, different from ours, and observe Power of Innovation, thereby reflect on how this can be applied to our context. Each leader who is part of a development journey is associated with an action coach who work with the leader to apply new learnings through an action learning project.

Leadership Behaviours: Leaders have a large influence over people. Leaders have the unwritten responsibility to exhibit the right set of behaviours to foster innovation.

Leaders discuss perspectives on understanding the context of the customer, translating the customer's challenge in a way that is easily understood by customers, encouraging them to think divergent and then synthesise and most important, creating an safe environment, which is risk free.

The best of innovations required risks and investments, and could have been quashed just by a leader coming up and saying 'I know about that and it doesn't work'.

Comfort with Diversity: Aswe see in the example of the Global Learning Center, Idea generation can stem from anywhere-inside / outsidethe organisation. Ideas can be generated by all and compete on equal footing; however how effectively they are mobilised is key. For leaders, it is important to get diverse perspectives and not the usual suspects who are sometimes the problem.

Channelising Resources: There is a lot of enthusiasm we see while generating good ideas / value ads for customers; however the biggest proof of the pudding is to make it happen! Campaigning and mobilising people and resources is critical, else ideas may never turn to innovations. This calls for the need to map stakeholders, form the right coalition of promoters and convince the neutrals to come onboard.

Sustenance: It's important not to stop with an innovation, how does the innovation make its way into solutions, customers, people requires constant reinforcing of its credibility, as well as taking people through the change process.

KEEP THE CUSTOMER IN MIND

With the talent and leadership against the backdrop, let's switch to the lens of the customer. If we make a mental map of the Top 5 innovations in the world, and the basic premise is that they either solved a customer problem which existed or helped solve a problem which the customer didn't even know existed! What's also intriguing is that end customer (Gen C) will drive how businesses approach innovation, keeping in mind how deeply they feel about the need to create, connect, influence and adopt.

Innovation needs to have a customer backward approach in mind – most often than not, ideas get caught in corporate inertia. There is a need to translate these ideas into concepts and solutions, and help mobilize them.

This is where Mindtree has set up the **Digital Pumpkin a futuristic workspaceset** up within the Mindtree campus, where we co-innovate with our customers. The Digital Pumpkin's three pronged approach of ideating (enabling the selection and validation of ideas through research, transforming the idea into concepts and solutions and enabling the build out of the solution to decision makers, beta customers and colleagues, in our customer organisations has enabled Mindtree to truly become partners in the customer's innovation journey. A team of domain and solution experts come together to help a customer unearth a problem before time, and build a workable solution. Ideation starts with a presentation of a problem, and then narrowed down through market study and expert opinions. Digital and domain experts from Mindtree conduct a workshop with customers to co-create and have a workable model of a solution for the customer to take back.

The Knowledge Management Function at Mindtree has pivoted its thinking to customer –centricity, and drives Innovation as a culture. The KM team has instituted the Value Add framework which focusses on open innovation and collaboration within teams by following the SCAN –FOCUS-ACT methodology. The framework has an intensive model that encompasses systematic innovation techniques and problem solving approaches.

The KM team anchors Osmosis is Mindtree's annual event to celebrate technology with clients, partners and Mindtree Minds. Over the last 11 years, Osmosis has been a platform for Mindtree Minds to learn, share, innovate, and showcase technical capabilities. The Tech fest connects Mindtree Minds across the globe, engaging them in a variety of forums such as the Decathlon (a geeky spin off of a decathlon), K-safari (Knowledge Safari), where Mindtree Mind put up stalls to display technology strength and expertise and Webinars.

A key ideation platform is the Value Add hackathon and the Digital Hackathon - The Digital Hackathon consisted of two phases. The first phase was an ideation contest for Mindtree Minds to submit business-impacting ideas for their customers under the mobility theme. We received 190 mobile app-specific ideas across industry segments. A team of evaluators shortlisted the top eight ideas across industries to convert them into working apps. In Phase 2, contestants converted top ideas into working mobile apps. This could be taken up as a team challenge or individually.

More than 2500 Value adds where generated for our Industry segments. Of these 800 were business transformational ideas, and 150 plus Value add champions disseminated innovation across their teams, resulting in constant value add to clients.

Mindtree's Entrepreneurship Program 5*50: It was in 2010 that a program named 5*50 was launched to create the nonlinear growth spurt needed to achieve the billion dollar vision. Since then, Mindtree Entrepreneurship 5*50 Program has become an annual idea sourcing event.

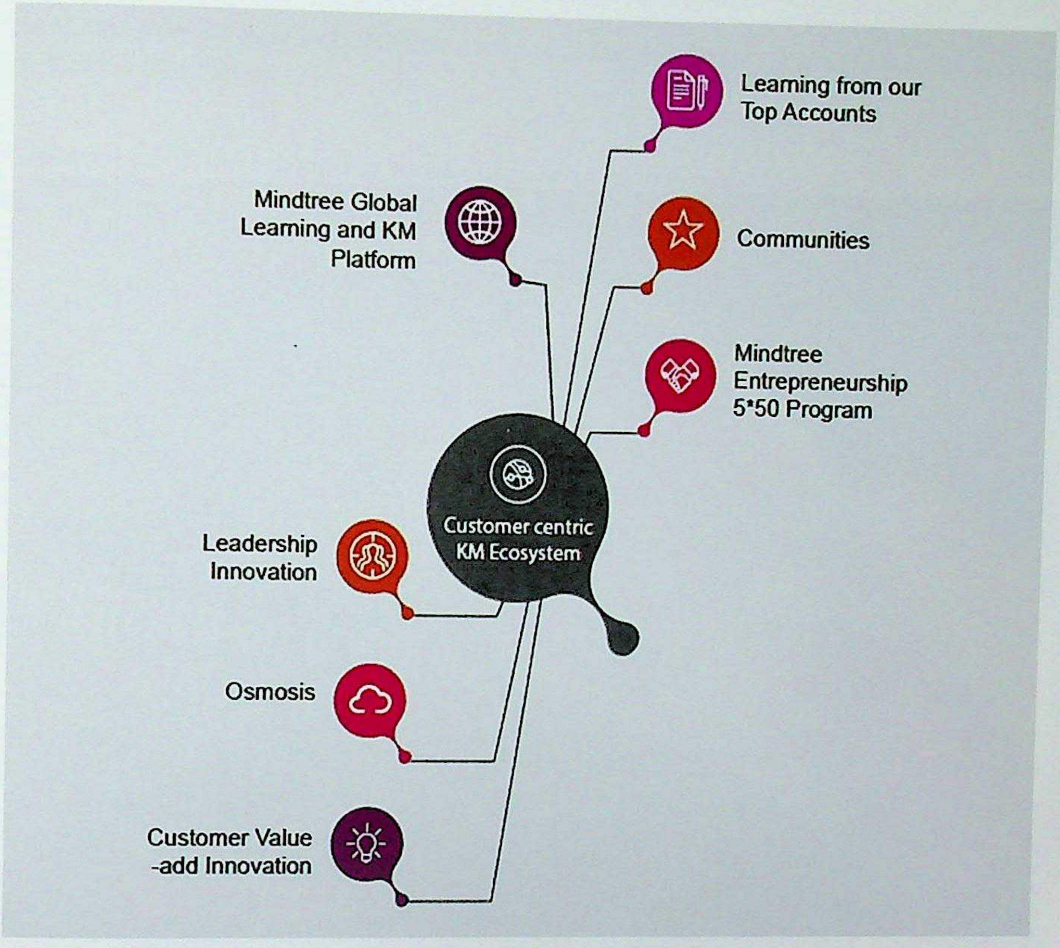
In a nut shell, this initiative is about Mindtree Minds across competencies coming up with five great ideas that can each grow to $50 million in five years.

If an individual or a team has a great idea that they want to push forward as a business, and are able to justify its viability, and are able to explain why they/he/she should be leading and creating the new business, then the organisation extends all the support needed to bring the venture to life. This program is open to all the Mindtree Minds cutting across competencies because it is people who convert great ideas into successful businesses.

Once the ideas are submitted, an expert panel selects about 5-7 ideas along with the ideators. Some or all of the ideas may need market studies, which are then initiated by our Business Planning and Strategy department internally or through an appropriate external agency. After market validation, the shortlisted ideas and teams are prioritised and the chosen teams enter the next phase of the program, which is a kind of a week-long mini- MBA program. This mini-MBA program is conducted by the executive leaders of Mindtree and senior Mindtree Minds. When the business plans are ready, they are screened again and the approved ideas are presented to a panel comprising of the internal board and, if applicable, the CEO of the concerned business. Teams that are successful in convincing the panel on the viability of the business idea are provided with the resources to fulfill their dream. Till date, we have had two seasons of 5*50 conducted at Mindtree. In the first set of incubation, two programs were sponsored and executed.

Communities: When it comes to pull vs push, the power of communities surpass the way learners come together. Communities comprise a group of likeminded people who come together to learn, deliberate and share. Today these are business priorities, led by champions and business leaders. These today are fertile grounds for budding practices in the organisation. We have over 30 active communities across the organisation with 85% of the workforce actively participating. Communities today are also looking at capability building through innovative mentorship programs (micro-coaches) run by some our technology champions and sponsored by industry group leadership.

Humans are driven by primeval need to create, and organisations need to think beyond command and control, encouraging the right behaviours and providing the platforms. Leadership needs to create the path by shaping the innovation culture, keeping the customer in mind. InOrganizations which drive synchronized actions on these, a thousand flowers will bloom.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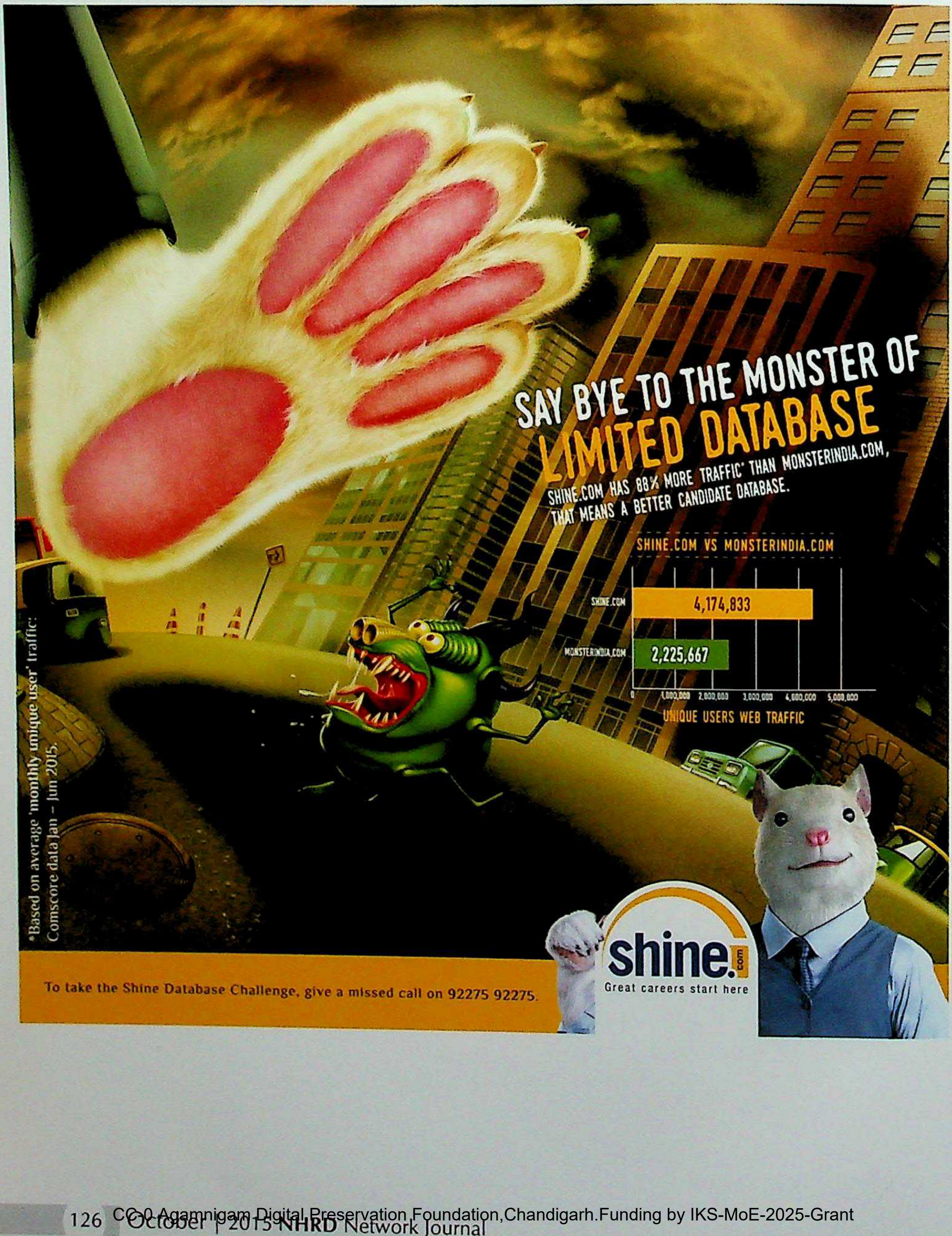

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ABOUT THE JOURNAL

The National HRD Network publishes a semi-academic quarterly journal where in each issue is dedicated to a theme.

The Journal publishes primarily three categories of articles :

- Conceptual and research based.
- Contributions from thought leaders including a limited number of reprints with due permission.
- Organisational experiences in HR interventions / mechanisms.

About this issue :

The theme of the current Issue is "HR in Innovative Organisations".

Editorial Board Members :

Dr. Pallab Bandyopadhyay, Managing Editor, is a Leadership Architect, Career Coach, Change and Transition Specialist with thirty years of successful professional experience in managing entire gamut of Human Resources Management with proven expertise in managing multicultural globally distributed knowledge professionals. He has rich experience in companies like Citrix, Dell Perot, Cambridge Solutions, Sasken and ALIT. He is a doctoral fellow in HRD from XLRI, a product of NTL, USA and provides HR consulting with many large Indian and MNCs and start-ups in the area of Leadership coaching, Organisation development, Long-term capability building, Strategic change and Organisation alignment.

Dr. Arvind N Agrawal serves as the President and Chief Executive of Corporate Development & Human Resources and Member of Management Board of RPG Enterprises. Dr. Agrawal has worked at RPG Enterprises since 1999 and his current responsibilities in RPG comprise of HR and TQM. He held senior positions in Escorts and Modi Xerox. He was the past National President of National HRD Network. Dr. Agrawal is an IIM, Ahmedabad and an IIT, Kharagpur alumni, and also holds a Ph.D. from IIT, Mumbai.

NHRD firmly believes in and respects IPR and we appeal to the contributors and readers to strictly honour the same.

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National HRD Network

The National HRD Network, established in 1985, is an association of professionals committed to promoting the HRD movement in India and enhancing the capability of human resource professionals, enabling them to make an impactful contribution in enhancing competitiveness and creating value for society. Towards this end, the National HRD Network is committed to the development of human resources through education, training, research and experience sharing. The Network is managed by HR professionals in an honorary capacity, stemming from their interest in contributing to the HR profession.

The underlying philosophy of NHRDN is that every human being has the potential for remarkable achievement. HRD is a process by which employees in organisations are enabled to:

- acquire capabilities to perform various tasks associated with their present and future roles;
- develop their inner potential for self and organisational growth;
- develop an organisational culture where networking relationships, teamwork and collaboration among different units is strong, contributing to organisational growth and individual well-being.

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